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General

Li Peng Sends Message to UN Antiapartheid Body

OW2103080190 Beijing XINHUA in English
0734 GMT 21 Mar 90

[Text] Beijing, March 21 (XINHUA)—Chinese Premier Li Peng cabled a message of solidarity today to the United Nations Special Committee Against Apartheid on the occasion of the "international day for the elimination of racial discrimination."

Addressed to committee Chairman Ibrahim Gambari, the message voices the Chinese Government and people's solidarity with and support for the committee and expresses their appreciation of its efforts to support the South African people's struggle for eliminating racial discrimination and apartheid.

March 21 was designated by the 31st UN General Assembly in November 1976 as the international day for the elimination of racial discrimination. Namibia decided to declare independence on the same day this year to put an end to the 75-year colonial rule by South Africa.

The message by the Chinese premier notes that "the South African authorities have long pursued the policy of racial discrimination and apartheid, trampling upon the basic rights of the black people or depriving them of their basic rights."

This policy has met with "resolute opposition by the people of South Africa and world-wide condemnation," the message says, adding that "gratifying changes have taken place in southern Africa as a result of the protracted struggle by the people in the region and the joint efforts of the international community."

The message regards as "welcome steps" the South African authorities' lift of the ban on the African National Congress of South Africa, the Pan-Africanist Congress of Azania and the South African Communist Party, and the recent release of Nelson Mandela, Walter Sisulu and other famous black leaders who had been subjected to long-term unwarranted imprisonment.

However, it says, the South African authorities have not completely abandoned their policy of racial discrimination and apartheid at all. The international community "must continue to make joint efforts towards the complete elimination of racial discrimination and apartheid," it stresses.

"We are convinced that as long as the South African people persist in their struggle and the international community continue to apply pressure on the South African authorities, the South African people will surely achieve their goal in their struggle for racial equality and fundamental human rights," the message says.

World Bank Resumes Talks on Project Loans

OW1803070590 Beijing XINHUA in English
0633 GMT 18 Mar 90

[Text] Beijing, March 18 (XINHUA)—World Bank officials in Beijing are contacting their counterparts from the Ministry of Chemical Industry to discuss loans for China's three chemical fertilizer projects.

The projects that the two sides had agreed to negotiate further were the second phase project of the Qinghai Potash Fertilizer Plant, China's largest, the Yunfu high effective phosphate fertilizer project in Guangdong Province and the project to localize imported chemical fertilizer equipment and manufacturing technology, according to today's CHINA DAILY, which quoted Fu Peiyang, head of the ministry's World Bank Loan Coordinating Office, as saying.

These projects would promote the development of the country's chemical fertilizer industry, Fu said.

Fu said co-operation between the ministry and the World Bank was satisfactory so far.

Between 1985 and 1989, he said, the World Bank had provided four batches of loans totaling 400 million U.S. dollars to the ministry's chemical fertilizer projects.

To use the loans to their best advantage, the Chinese Government had invested four billion yuan (851 million U.S. dollars) in chemical fertilizer projects scattered in 12 provinces and cities.

The projects included energy-saving renovation of five large chemical fertilizer plants, product structure improvement of five medium-sized nitrogenous fertilizer plants and three fertilizer mine development projects.

By the end of last year, World Bank loans to the chemical industry had accounted for about one-quarter of the bank's total industrial loans to China, according to Fu.

Provincial Trade Fairs Close

Shanghai

OW1703034790 Shanghai City Service in Mandarin
2300 GMT 10 Mar 90

[From the "Morning News" program]

[Text] The Shanghai Foreign Trade Fair, which lasted for 10 days, closed on 10 March. Total turnover reached \$337.96 million, an all-time high record. More than 3,100 firms attended the trade fair, which topped the previous peak. The various categories of commodities, ranked in the volume of transaction through exports, are in the following order: rolled steel, garments, trueran/cotton fabrics, color TV sets, foodstuffs, drawnwork, and knitwear.

Shanghai Municipality made a big breakthrough in technical exports at the fair. It blazed a new trail in combining the export of soft technology and equipment with the contracting of construction projects which enabled them to mutually promote each other's development. The two projects that yielded the highest transaction volume were the Shanghai Foreign Economic and Technical Cooperation Company, which supplied the Soviet Union with the plant for manufacturing one-time germ-free injectors and helped build related factories, and the No. 2 Shanghai Textile Machinery Plant, which exported to Pakistan spinning machines of the advanced world level during the mid-1980's and provided technical services.

In addition, there were big companies in the textile industry, silk industry, metallurgical industry, industrial arts, garment industry, and foodstuff industry that each earned more than \$10 million in foreign exchange from exports. The actual volume of transactions of Shanghai Battery Plant, which conducted exports on its own, the No. 1 Battery Plant, and other units also exceeded the planned targets by more than twofold.

During the trade fair, the Shanghai (Chenghua) Textile Company Ltd. and two other Sino-foreign ventures, which made substantial progress by importing foreign capital, separately signed agreements that amounted to a total of \$38 million in investment.

Foreign firms were very interested in the trade fair. Until yesterday afternoon, foreign businessmen were still coming to negotiate.

The last transaction ended at 1730 and amounted to \$457,500.

Tianjin

OW1903034390 Beijing XINHUA in English
0228 GMT 19 Mar 90

[Text] Tianjin, March 19 (XINHUA)—Import and export deals worth 230 million U.S. dollars were concluded at the 11-day Tianjin Export Commodity Fair which closed here Sunday.

Businessmen from Japan, the United States, Western Europe, Southeast Asia, Hong Kong and Macao attended the trade fair.

The major export items included farm produce and animal by-products, metalware and minerals, food and edible oil, textile equipment, carpets, cotton yarn, staple rayon colored cloth, ferrosilicon and porcelain.

Trading companies from different provinces, autonomous regions and municipalities also exchanged information and concluded contracts at the fair.

Chinese trading companies also talked with overseas businessmen about the establishment of joint ventures, co-operative production, processing with supplied materials and compensation trade.

Soviet Union

Yang Shangkun Congratulates Gorbachev on Election

OW2103051290 Beijing in Russian to the USSR
1900 GMT 17 Mar 90

[Text] PRC President Yang Shangkun sent a telegram to Mikhail Gorbachev on 17 March in which he congratulated him on his election as president of the Soviet Union.

The telegram says: China and the Soviet Union are neighboring socialist countries. The development of good-neighborly and friendly relations between them on the basis of the five principles of peaceful coexistence corresponds to the fundamental interests of the peoples of the two countries and favors peace and stability in Asia and throughout the world. We hope that relations will continue to develop between the both sides in accordance with the agreement reached at the Chinese-Soviet summit meeting held in May last year and in the spirit of the Chinese-Soviet joint communique, the telegram says.

Delegations Visit Heilongjiang Province

Economic

SK2003122090 Harbin HEILONGJIANG RIBAO
in Chinese 7 Feb 90 p 1

[Text] On the afternoon of 5 February, Provincial Vice Governor Chen Yunlin met with an economic delegation led by Payakefu [name as published], vice chairman of the Krasnoyarsk Kray Soviet Executive Committee of the Soviet Union.

During the meeting, Chen Yunlin expressed a warm welcome to the Soviet comrades. Chen Yunlin said: We have attached great importance to the friendship and cooperation between Heilongjiang Province and Krasnoyarsk Kray. The industry and agriculture, and the natural conditions of the province and the kray are similar in many aspects. It is hoped that substantial cooperation will be opened up in the future.

Provincial Vice Governor Chen Yunlin hosted a banquet in honor of the Soviet guests after the meeting.

The six-member Krasnoyarsk economic delegation has come at the invitation of the Harbin City government. It arrived in Harbin on 2 February.

Trade

SK2003121890 Harbin HEILONGJIANG RIBAO
in Chinese 10 Feb 90 p 1

[Text] Twenty-three economic and trade groups and friendship association groups from five krays and oblasts of the Soviet Union, totaling 74 members, arrived in Suifenhe City on 9 February to attend its lantern festival trade talks. More than 10,000 kinds of products of six categories—light industrial and textile goods, light

industrial goods for daily use, machinery and electric goods, building materials, farm products, and grain and oil products—gathered by Suifenhe City through various channels from Harbin, Beijing and other areas were provided for the selection and order by foreign businessmen. On 10 February, another 10 economic and trade, and friendship groups, totaling 40 persons, will also come to Suifenhe City. According to estimation, the transactions of the lantern festival trade talks may reach 20 million Swiss francs.

Hydrological

SK2003121690 Harbin HEILONGJIANG RIBAO
in Chinese 11 Feb 90 p 1

[Text] The Heilongjiang Provincial delegation of hydrological experts and a delegation of experts from the hydrometeorological administrative bureau of the USSR Far East Area began their seven-day meeting in Harbin on 10 February. During the meeting, they will discuss and exchange views on the technology for the flood forecast for the mainstream of Heilongjiang, and discuss ways to expand cooperation in hydrological technology.

The six-member Soviet delegation led by Qilieboke [name as published], director of the hydrometeorological administrative bureau of the USSR Far East Area, arrived in Harbin on 9 February.

Provincial Vice Governor Dai Moan met with and feted all the members of the delegation on 10 February.

Northeast Asia

Song Jian Meets Japanese Visitors

OW2003141690 Beijing XINHUA in English
0844 GMT 20 Mar 90

[Text] Beijing, March 20 (XINHUA)—Song Jian, Chinese state councilor and minister in charge of State Science and Technology Commission, met here today with former resident representative of the Japanese International Cooperation Agency (JICA) Sadanori Taguchi, resident representative of JICA Toshikazu Miura, and other members of JICA.

The Japanese agency began technological cooperation with China ten years ago.

Kobe-Tianjin Passenger, Cargo Liner Launched

OW2003222690 Beijing in Japanese to Japan
0930 GMT 17 Mar 90

[Text] The (Encho-go), a new regular passenger and cargo liner directly connecting Tianjin and Kobe as a new link between China and Japan, arrived in Tianjin yesterday morning with a Japanese delegation aboard. The delegation on the maiden voyage was led by Deputy Mayor of Kobe Manabu Ogata.

The delegation was greeted at the new Tianjin port by Tianjin Mayor Nie Bichu, and other officials from the Ministry of Communications, the Ministry of Foreign Economic Relations and Trade, and the China-Japan Friendship Association.

The (Encho-go) is run by a China-Japan joint venture company, the (Shinshin) Passenger and Cargo Liner Ltd. in Tianjin. The new joint venture invested \$24 million to build this deluxe 9,990-ton ship at Onomichi Shipyard in Japan. The (Encho-go) can accommodate a total of 440 passengers in its special and second-class cabins, and has such recreational facilities as a cinema, gym, and dance hall. The ship can also carry 161 standard containers and 48 freezer containers simultaneously. The liner, which takes about 58 hours to travel one way, will shuttle between Tianjin and Kobe regularly once a week, transporting passengers and cargo between China and Japan. In addition, cargo containers from the United States, Canada, Latin America, Australia, and Singapore will also be relayed by this means.

The (Encho-go) will leave the New Tianjin Port on 18 March for Kobe with a Chinese delegation comprised mostly of Tianjin municipal officials.

Comparison—Li Peng Meets Mitsubishi President

OW1603151690

Beijing XINHUA Domestic Service in Chinese at 1332 GMT on 16 March carries a report on the meeting between Chinese Premier Li Peng and Aikawa Kentaro, president of Mitsubishi Heavy Industries Ltd. This version has been compared with the XINHUA English version published in the 19 March China DAILY REPORT, page 12, and found to be identical except for the following: Page 12, column one, paragraph six, only sentence reads: Li said the Chinese side and the Japanese corporation have a very good history of co-operation, which China hopes to continue.

Vice Minister of Energy Resources Shi Dazhen was present at the meeting. (new paragraph added)

Southeast Asia & Pacific

Official Says Indonesia's Debt 'Minor Problem'

BK1903143690 Jakarta KOMPAS in Indonesian
8 Mar 90 pp 1,8

[Excerpts] Beijing, KOMPAS—The PRC Government believes that the issue of Indonesia's debts to that country before diplomatic ties were severed is a minor problem which can be solved soon.

The remarks were made by Zhang Qing, deputy director of the Asian Affairs Department of the PRC Foreign Ministry in an interview with KOMPAS correspondent Rene L. Pattirajawane and three other Jakarta reporters in Beijing on Wednesday [7 March].

"Through our representative office at the United Nations, the Indonesia side has expressed its wish to come to Beijing to solve this debt issue and we are ready to welcome them," Zhang Qing said. [passage omitted]

According to the Indonesian records, the debt stands at 91.87 million Swiss francs and 5.73 million British pounds, which were recorded in five bilateral agreements. Meanwhile, the PRC records said Indonesia's debt stood at 117.06 million Swiss francs and 7.59 million British pounds, which were recorded in six bilateral agreements. [passage omitted]

Sihanouk Accuses SRV of 'Occupying' Cambodia

*HK2003150490 Hong Kong AFP in English
1500 GMT 20 Mar 90*

[Text] Beijing, March 20 (AFP)—Cambodian resistance leader Prince Norodom Sihanouk has accused Vietnam of occupying much of Cambodia, of modifying the border between the two countries, and sending troops to fight the resistance.

Vietnam administers the northeastern Cambodian provinces of Ratanakiri and Monduliri, Prince Sihanouk told ambassadors and diplomats from 73 countries here Monday at a briefing whose minutes were obtained Tuesday by AGENCE FRANCE-PRESSE.

In Bangkok, meanwhile, the Voice of Khmer radio reported that Sihanoukist National Army (ANS) guerrillas have captured new areas in northwest and central Cambodia.

Prince Sihanouk, who arrived in the Chinese capital last Wednesday after having stayed in the "liberated areas of Cambodia" since early February, also said Cambodians "are becoming an ethnic minority" in the border areas with Vietnam.

At Luang, only 40 kilometers (25 miles) from the Cambodian capital of Phnom Penh, ten percent of the population is Vietnamese, he said, adding that there were more than one million Vietnamese "settlers" in Cambodia, which only has six million inhabitants.

Vietnam has created militias that number 100,000 strong, mainly Vietnamese, in the countryside, he said.

He said there were 40,000 Vietnamese soldiers still on Cambodian territory, compared to 120,000 before the end of September 1989, the date by which Vietnam said all its troops had been withdrawn.

Vietnam invaded Cambodia in 1979 and installed a client government in Phnom Penh.

Referring to what he said the resistance had witnessed, the prince said Vietnamese troops appeared recently at battles in the western and northern portions of Cambodia.

Vietnam has also sent significant reinforcements to Cambodia to fight against the resistance, he added.

The former Cambodian monarch said that Vietnam had illegally modified the border line to its advantage in Kratie, Kompong Cham, Prey Veng, Svay Rieng, Kandal, Takeo et Kampot provinces, deep within Cambodian territory.

Hanoi has illegally dug a new canal from Svay Rieng to Kampot, inside Cambodia, making it the new boundary, he said.

"The Cambodian people will never recognize the present border line divided by Vietnam and the Phnom Penh regime," he said.

The prince said elections could only be held once the old boundaries are restored and "illegal Vietnamese emigrants" and military personnel are withdrawn under the control of the United Nations.

Prince Sihanouk resigned January 24 from his role as head of a tripartite resistance coalition, and shortly afterward announced his intention to return "definitively" in his homeland after years in exile.

Sihanoukist National Army (ANS) guerrillas have captured new areas in northwest and central Cambodia since the beginning of this month, according to the Voice of Khmer, monitored in Bangkok.

The radio report said the ANS claimed victory Thursday over Balang district seat, some 40 kilometers (25 miles) northwest of Kompong Thom provincial seat, after a half hour attack.

It said the guerrillas seized a large amount of arms and ammunition.

The report also claimed that the ANS last Sunday took full control of the Krayea position, another strategic base of government forces in Kompong Thom, about 170 kilometers (102 miles) northwest of Phnom Penh.

The ANS on the same day attacked a place in Varin district, located in Cambodia's northwestern province of Siemreap, capturing about 200 Phnom Penh soldiers who they said were given medical treatment before allowed to return home.

Sihanouk Leaves Beijing for DPRK 21 March

*OW2103065590 Beijing XINHUA Domestic Service
in Chinese 0531 GMT 21 Mar 90*

[Text] Beijing, 21 Mar (XINHUA)—Kampuchean Chairman Samdech Norodom Sihanouk left Beijing by special plane for the DPRK on 21 March for a goodwill visit.

Vice Foreign Minister Qi Huaiyuan and the Korean and Kampuchean diplomatic envoys to China were present at the airport to see him off.

Near East & South Asia

Qian Opposes Jewish Immigration to Occupied Lands

OW2003125690 Beijing XINHUA in English
0058 GMT 20 Mar 90

[Text] Manama, March 19 (XINHUA)—Chinese Foreign Minister Qian Qichen said here today that China will support the Arab position at the UN Security Council to halt Soviet Jewish immigration to Israeli-occupied territories.

China is opposed to the Jewish immigration to the occupied lands because such a flow violates international law and obstructs the Middle East peace process, Qian told a press conference at the end of a two-day visit to Bahrain.

"China will support the Arabs if there are consultations and a debate at the Security Council in this connection," the Chinese foreign minister said.

The influx of Soviet Jews into Israel has alarmed many Arab countries and some of them have called for an emergency Arab summit to deal with the problem.

Qian refuted reports that Moslems in China were maltreated, saying Chinese Moslems enjoy full religious freedom and such reports are totally groundless.

Qian described his visit Bahrain as "a complete success."

Bahrain is the last leg of Qian's five-nation Middle East tour which has also taken him to Iraq, Arab Yemen, Democratic Yemen and Qatar. He also went to the United Arab Emirates for an unofficial visit before he arrived in Bahrain.

When asked whether he discussed arms sales with leaders of those countries, Qian said such a topic was not on the agenda of their talks.

Referring to Sino-Saudi Arabian relations, Qian said relations between the two countries are developing and China hopes such development will lead to the establishment of diplomatic relations.

The Chinese foreign minister also pledged that China will help Iran and Iraq implement Security Council Resolution 598 and turn the August 1988 ceasefire between the two Gulf states into permanent peace.

Qian Qichen Starts Four-Day Visit to India

Arrives in Bombay

OW2003130590 Beijing XINHUA in English
0752 GMT 20 Mar 90

[Text] Bombay, March 20 (XINHUA)—Chinese Foreign Minister Qian Qichen arrived here this morning on a four-day visit to India at the invitation of Indian External Affairs Minister Kumar Inder Gujral.

Chinese diplomatic sources said, Qian will stay in Bombay for one day. Tomorrow he will visit Agra in Uttar Pradesh (North State) and arrive in New Delhi tomorrow evening. He will hold talks with his Indian counterpart on March 22 and 23, and also call on Indian Prime Minister V.P. Singh.

Qian's visit coincides with the 40th anniversary of the establishment of diplomatic relations between China and India. India was the first country to recognize the People's Republic of China outside the socialist countries on April first, 1950.

Qian's visit is the first high-level contact between the two countries since the India National Front Government came to power last December.

China and India resumed high-level officials' visits between them after a lapse of about 20 years when former Chinese Foreign Minister Huang Hua visited India in 1981. Former Indian Prime Minister Rajiv Gandhi visited Beijing in December 1988, followed by Chinese Vice Premier Wu Xueqian's visit to India in October, 1989.

Qian is going to visit Bhabha Atomic Research Centre and meet with members of the India-China Chamber of Commerce and Industry (Western region) today.

Qian came here from Bahrain after his two-day visit there. He also visited Qatar and the United Arab Emirates last week.

Views Trade Potential

OW2003191690 Beijing XINHUA in English
1837 GMT 20 Mar 90

[Text] Bombay, March 20 (XINHUA)—Chinese Foreign Minister Qian Qichen said here this afternoon that great potentials exists in trade between China and India.

Inaugurating the India-China Chamber of Commerce and Industry (Western region) here, Qian said economic cooperations between the two countries were still below expectation. "There are great potentials which are yet to be tapped," he said.

He emphasized the need for closer understanding between India and China.

The two countries, he said, should sit together and look for more effective ways and channels to increase business and technology contacts. China's trade and economic cooperation with foreign countries have increased considerably since the country adopted the policy of opening to the world, he noted.

In the decade from 1978 to 1988, the minister said, the volume of trade with India grew ten-fold and touched a record of 270 million U.S. dollars last year. "We have still a long way to go," he added.

The Chinese foreign minister arrived here this morning from Bahrain for a four day-visit to India at the invitation of Indian External Affairs Minister Inder Kumar Gujral.

Qian arrives in New Delhi tomorrow evening where he will hold talks with his Indian counterpart on March 22 and 23.

The Chinese foreign minister will also call on Indian Prime Minister V.P. Singh.

Jordanian Youth Minister Visits Beijing

Meets Chen Xitong

*OW2103013990 Beijing XINHUA in English
1244 GMT 20 Mar 90*

[Text] Beijing, March 20 (XINHUA)—State Councillor Chen Xitong met Ibrahim al-Ghababishah, minister of youth of the Hashemite Kingdom of Jordan, and his entourage here this afternoon.

During the meeting, Chen, who is also the president of the Beijing Asian Games Organizing Committee (BAGOC), hoped all the Asian countries and regions to participate in the 11th Asian Games to be held this autumn.

He said the Chinese Government will do its utmost to stage the games successfully.

The Jordanian minister assured Chen that his country will send its best athletes for the Beijing Asiad.

Meets Xi Zhongxun

*OW2003154490 Beijing XINHUA in English
1446 GMT 20 Mar 90*

[Text] Beijing, March 20 (XINHUA)—Xi Zhongxun, vice-chairman of the Standing Committee of China's National People's Congress, met here today with a Jordanian youth delegation led by Minister of Youth Ibrahim al-Ghababishah.

The delegation, invited by the All-China Youth Federation, will go on a tour of Xi'an and Guangzhou after visiting Beijing.

Sub-Saharan Africa

Leaders Recognize, Praise Namibian Independence

Li Peng Message

*OW2003121490 Beijing XINHUA in English
0643 GMT 20 Mar 90*

[Text] Beijing, March 20 (XINHUA)—Chinese Premier Li Peng sent a message today to his Namibian counterpart Hage Geingob, warmly congratulating him on the independence of Namibia and extending official recognition to the Republic of Namibia.

The message reads, "On the occasion of the declaration of Namibia's independence and your assuming premiership of the Republic of Namibia, I would like, on behalf of the Chinese Government and people, to offer warm congratulations to the Namibian Government and people. I hereby officially inform your excellency that the government of the People's Republic of China has decided to recognize the Republic of Namibia.

"The Chinese Government and people have always resolutely supported the Namibian people's just struggle and feel heartfelt rejoice at Namibia's great historic victory in winning independence.

"We are deeply convinced that the Namibian Government and people, under the leadership of President Sam Nujoma, will achieve one new victory after another in upholding their national independence and building a new-born Namibia."

Yang Shangkun Message

*OW2003181990 Beijing XINHUA Domestic Service
in Chinese 0326 GMT 20 Mar 90*

[Text of congratulatory message from Yang Shangkun to Namibian President-elect Sam Nujoma on independence of the Republic of Namibia]

[Text] Beijing, 20 Mar (XINHUA)—Your Excellency, President of the Republic of Namibia Sam Nujoma:

At a time when Namibia announces its glorious independence and your excellency takes your office as the president of the Republic of Namibia, I, on behalf of the People's Republic of China and the Chinese people, wish to extend to your excellency and the Namibian people my warm greetings and high respects.

The birth of the Republic of Namibia represents a great victory for the heroic Namibian people following a long and arduous struggle and also represents a great victory for Africa and the international community. It signals a successful accomplishment of the heroic task of decolonization in the African continent and, therefore, is an important milestone in Africa's history. I sincerely hope that the Namibian people, under your excellency's leadership, will achieve new successes in consolidating national independence and in building your country.

The Chinese and Namibian people have fostered a profound friendship in their common struggle in which they have extended mutual support and sympathy. I firmly believe that traditional Sino-Namibian friendship will be continuously consolidated and enhanced and that our ties of friendly cooperation will bear rich fruit on the basis of the five principles of peaceful co-existence.

I wish the Republic of Namibia prosperity and the Namibian people happiness.

Qian Qichen Message

OW2003121190 Beijing XINHUA in English
0718 GMT 20 Mar 90

[Text] Beijing, March 20 (XINHUA)—Chinese Foreign Minister Qian Qichen sent a message today to his Namibian counterpart Theoben Gurirab congratulating him on Namibia's independence.

In his message, Qian expressed his hope that close cooperation in international affairs will be made between the two countries' foreign ministers.

"I sincerely expect to devote our mutual efforts to the development of friendly cooperation between China and Namibia," Qian said.

CPC Congratulates SWAPO

OW2003120990 Beijing XINHUA in English
0640 GMT 20 Mar 90

[Text] Beijing, March 20 (XINHUA)—The Communist Party of China (CPC) today congratulated the South West African People's Organization (SWAPO) on Namibia's independence.

In a message delivered to the SWAPO Central Committee, the CPC speaks highly of the organisation's leadership in the "protracted and arduous struggle against the South African colonial rule" and establishing national independence in Namibia.

"This is a major victory for the SWAPO and the Namibian people in their heroic struggle for independence and an achievement of the strong support to the Namibian people's just cause from the people of the world, especially the people of African countries," it says.

"The national independence has now opened a new chapter in the annals of Namibian history," it says.

It says the CPC and the SWAPO have sympathized with and supported each other in their struggle against imperialism, colonialism and racism, "thus forging a profound and militant friendship."

The friendship and co-operation between the two parties and between the two countries, it says, will be further strengthened and smoothly developed.

Wu Xueqian at Celebration

OW2103045790 Beijing XINHUA in English
0303 GMT 21 Mar 90

[Text] Windhoek, March 20 (XINHUA)—Chinese special envoy Vice-Premier Wu Xueqian arrived here today to attend the celebration of Namibia's independence, which will be officially declared at midnight.

In a written statement issued upon his arrival, Wu said, "It is a great pleasure to be invited by President Sam Nujoma to attend the celebrations of Namibian independence."

"In order to rid themselves of the colonial and racist rule, the Namibian people have waged unswervingly a protracted and heroic struggle for national independence and liberation," Wu said.

The Namibian people's just struggle has always won sympathy and support from the people of the world, Wu said adding that "the new-born Republic of Namibia is faced with the arduous task of rehabilitating the homeland and developing the economy."

According to the statement, the Chinese and Namibian people hold a common endeavour of developing their respective economies, and China is ready to establish and develop bilateral relations with the Republic of Namibia on the basis of the five principles of peaceful coexistence."

Zambian Envoy Urges Acceptance of ANC Demands

OW2003135690 Beijing XINHUA in English
0847 GMT 20 Mar 90

[Text] Beijing, March 20 (XINHUA)—The Namibian independence should be regarded as an excellent lesson to South Africa and its whites "who should not have any fear from a black government," said the Zambian ambassador to China here today.

"Majority rule is not a reverse of oppression," said Ambassador P. L. Kasanda on the eve of Namibia's independence.

Speaking at a forum sponsored by the Chinese People's Institute of Foreign Affairs (CPIFA) to celebrate Namibia's independence, Ambassador Kasanda urged the South African President de Klerk to "do more to build a climate" for equal negotiations between the African National Congress of South Africa (ANC) and the Pretoria government.

This means, he said, meeting ANC's minimum conditions, including the lifting of the state of emergency, the release of the remaining political prisoners and the safe return of all exiled persons to South Africa without fear of being prosecuted for political offences.

The ambassador said a new South African Government should be based on the will of the whole people of the country.

In his 90-minute address, Kasanda expounded the significance of Namibia's independence and gave a detailed account of current developments in southern Africa.

CPIFA President Han Nianlong and dozens of Chinese scholars attended the forum.

West Europe

Liao Hansheng Meets French Senate Delegation

OW2003160890 Beijing XINHUA in English
1509 GMT 20 Mar 90

[Text] Beijing, March 20 (XINHUA)—Liao Hansheng, vice-chairman of the National People's Congress (NPC) Standing Committee, met here today with a delegation from the Commission of Foreign Affairs, Defense and Armed Forces of the French Senate.

Headed by commission's Chairman Jean Lecanuet, the delegation with senators from five political parties in France is here on a 10-day goodwill visit to China at the invitation of NPC's foreign affairs committee.

After the meeting, NPC's foreign affairs committee hosted a banquet in honor of Lecanuet and his party.

Liao said at the banquet that China and France should strengthen cooperation in their bilateral relations and in terms of major world issues under the current international situation, adding that this will not only be in accordance with the basic interests of both countries, but also be conducive to world peace and stability.

He expressed the belief that if the principles of mutual respect for sovereignty, non-interference in each other's internal affairs, equality and mutual benefit is strictly followed, the bilateral relations will go back to the healthy and normal road of development.

He said that the visit of the delegation will surely be a greatly help [as received] for the deepening of mutual understanding, the promotion of friendly contact between NPC and the French Senate, the strengthening of the traditional friendship between the two peoples, and the enhancement for the improvement and development of Sino-French relations.

Lecanuet said that to maintain a kind of open, frank and friendly relationship with China is the common desire of the members of his delegation.

He stressed that it is an important principle in the French foreign policy to maintain a special relationship with China, hoping that contact between the two countries could continue to develop and expand.

French Reporters Interview Beijing Mayor

OW2003131490 Beijing XINHUA in English
1200 GMT 20 Mar 90

[Text] Beijing, March 20 (XINHUA)—Chen Xitong, mayor of Beijing, was interviewed here today by reporters from "Canal Plus", "Radio Frande-Info" and "Paris Match" of France.

The French reporters came to China with a delegation from the French Senate, which is here on a visit.

Latin America & Caribbean

Chilean Speaker Meets Chinese Ambassador

OW2003004290 Beijing XINHUA Domestic Service
in Chinese 0421 GMT 16 Mar 90

[Text] Santiago, 15 Mar (XINHUA)—Jose Antonio Viera Gallo, new speaker of the Chamber of Deputies of Chile, said in Santiago on 14 March that he has friendly feelings for China and the Chilean people are following with interest the progress of China's development.

The speaker said this during a meeting with Chinese Ambassador to Chile Huang Shikang. He hoped that Chile and China would further develop their friendly relations during President Aylwin's tenure of office.

Jose Antonio Viera Gallo was elected speaker of the Chamber of Deputies at a plenary session of the Chilean National Congress on 11 March. Ambassador Huang forwarded to him Chairman Wan Li's message of congratulations, calling for promoting exchanges between China's National People's Congress and Chile's National Congress.

Political & Social

Reportage on Seventh NPC Session Opening

Preparatory Meeting Conducted

OW1903051190 Beijing XINHUA Domestic Service
in Chinese 0403 GMT 19 Mar 90

[Text] Beijing, 19 Mar (XINHUA)—The Third Session of the Seventh National People's Congress [NPC] held its preparatory meeting at the Great Hall of the People this morning. Chairman Wan Li declared at the meeting that preparations for the Third Session of the Seventh NPC have been completed. He expressed the belief that, because of the deputies' hard work, the session will be one that will promote democratic unity, heighten spirit, surmount difficulties, stabilize the national situation, expedite economic retrenchment, and deepen reform.

According to the NPC Organic Law, the preparatory meeting elected the session's Presidium members and secretary general and approved the agenda of the session. Based on the preparations made by the Seventh NPC Standing Committee for holding the Third Plenary Session of the Seventh NPC, Wan Li explained the plan of the session, the draft namelists of Presidium members and the secretary general, and the draft agenda of the session.

He said: A total of 2,801 of the 2,953 NPC deputies have signed up to attend the session, and 2,609 deputies are attending today's preparatory meeting, constituting a quorum.

Wan Li said: The session is held at a crucial moment when the whole nation is implementing the guidelines of the Fourth, Fifth, and Sixth Plenary Session of the 13th CPC Central Committee, and when people of all nationalities in the country are making continuous efforts to improve the economic environment, rectify the economic order, and deepen reform. Both NPC deputies and the people attach great importance to the session. The success of this meeting will be of great significance to adhering to the basic line characterized by "one center and two basic points," and to rallying the people of all nationalities in the country to heighten their spirit, surmount difficulties, and seize new victories in improving the economic environment, rectifying the economic order, and deepening reform. During the session, we will give full scope to democracy, say freely what we want to say, analyze the situation, sum up our experiences in the spirit of seeking truth from facts, and earnestly examine all motions.

Wan Li said: The draft namelists of the session's Presidium and secretary general were drawn up at the 13th Session of the Seventh NPC Standing Committee. In principle, the drafts are the same as those of the previous session and have been adjusted only slightly. After adjustment, there will be 149 Presidium members, and they come from the following eight sectors: 1) leading comrades of the CPC Central Committee, the state

president and vice president, and the chairman and vice chairmen of the NPC Standing Committee, totaling 27 people; 2) 17 leading members of the central committees of all democratic parties; 3) 13 members of the special committees under the NPC; 4) nine leading members of central party, government, and military departments; 5) 10 representatives of industrial and agricultural model workers and progressive personages; 6) 24 representatives and well-known personages from the educational, scientific, technological, and cultural sectors; 7) 15 representatives of minority nationalities from areas where the population exceeds or is close to 1 million; and 8) 34 responsible persons of delegations from various provinces, autonomous regions, municipalities directly under the central government, and the Chinese People's Liberation Army.

Wan Li said: The draft agenda of the session was also drawn up by the 13th Session of the NPC Standing Committee. The session's schedule is to be submitted to the Presidium, which will make the final decision. The session will last 16 days, including two Sundays. In addition to deliberating on the government work report, plans, and the budget report, leading comrades of the various ministries and commissions of the State Council will attend plenary sessions of the various delegations to hear their views.

Wan Li said: Following previous practice, the forthcoming session will invite central leading comrades, the chairman of the Central Advisory Commission, the chairman and vice chairmen of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], and leading members of the central committees of all democratic parties—all of whom are not deputies to the Seventh NPC—to attend the opening and closing ceremonies; members of the CPPCC National Committee will be invited to attend the session as nonvoting observers; and foreign diplomats in China will be notified to attend some plenary sessions. Journalists from Hong Kong, Macao, and Taiwan and foreign reporters may gather news on the session.

After Wan Li finished his explanation, deputies pushed the buttons of the voting machine and elected 149 people to form the Presidium, elected Peng Chong as the secretary general of the session, and approved the agenda of the session.

Vice chairmen of the Seventh NPC Standing Committee were seated on the rostrum at today's preparatory meeting.

Namelist of Executive Chairmen

OW1903055690 Beijing XINHUA Domestic Service
in Chinese 0502 GMT 19 Mar 90

[Text] Beijing, 19 (XINHUA)—Namelist of the executive chairmen of the Presidium of the Third Session of Seventh National People's Congress (NPC)

(Decided [tui ding 2236 1353] at the first meeting of the Presidium on 19 March 1990)

Wan Li, Xi Zhongxun, Peng Chong, Zhu Xuefan, Ngapoi Ngawang Jigme, Seypidin Aizezi, Zhou Gucheng, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, Ni Zhifu, Chen Muhua (female), Fei Xiaotong, Sun Qimeng, Lei Jieqiong (female), and Wang Hanbin.

Namelist of Deputy Secretaries

OW1903061990 Beijing XINHUA Domestic Service in Chinese 0502 GMT 19 Mar 90

[Text] Beijing, 19 (XINHUA)—Namelist of the deputy secretaries general of the Third Session of the Seventh National People's Congress (NPC)

(Decided [tui ding 2236 1353] at the first meeting of the Presidium on 19 March 1990)

Chen Muhua (female), Wang Hanbin, Luo Gan, Cao Zhi, and Yao Guang.

Namelist of Presidium Members

OW1903094490 Beijing XINHUA Domestic Service in Chinese 0524 GMT 19 Mar 90

[Text] Beijing, 19 Mar (XINHUA)—Namelist of the Presidium and the Secretary General of the Third Session of the Seventh National People's Congress [NPC]

Approved by the preparatory meeting for the Third Session of the Seventh NPC

Presidium (149 members, in the order of the number of the strokes of their surnames)

Ding Guangxun, Wan Li, Xi Zhongxun, Ma Man Kei, Ma Sizhong (of the Hui nationality), Wang Hanbin, Wang Guangzhong, Wang Guangyu, Wang Tingdong, Wang Shuxian (female), Wang Zhen, Wei Yu (female), Batu Bagen (of the Mongolian nationality), Deng Xiaoping, Gan Ku (of the Zhuang nationality), Ai Youqin [5337 2589 0530], Shi Yuzhen [4258 3768 3791] (female of the Miao nationality), Puncog Wangje (of the Tibetan nationality), Ye Fei, Ye Gongqi, Ye Rutang, Ye Lin, Tian Shouyan [3944 1108 1693] (of the Tujia nationality), Tian Fuda (of the Gaoshan nationality), Shi Laihe, Zhao Cunxin [0664 1317 0207] (of the Dai nationality), Lu Shuxiang [0712 0647 3276], Nian Jinglin [1628 2529 2651], Zhu Shibao [2612 0013 0202], Zhu Xuefan, Zhu Rongji, Qiao Shi, Ren Jiyu, Liu Fusheng, Liu Yandong (female), Liu Huaqing, Liu Yisheng [0491 5669 3932] (female), Liu Nianzhi, Guan Shanyue, Jangzhong Zhaxi Doje (of the Tibetan Nationality), Jiane Zemin, Xu Shijie, Xu Jiataun, Xu Qin, Sun Qimeng, Sun Minchu (of the Hani nationality), Sun Holnglie, Sun Weiben, Yan Jici, Wu Zhizhong [1566 5268 0022], Li Ning [2621 1337] (of the Zhuang nationality), Li Jilin [2621 0679 2651] (female), Li Zhen, Li Guiying (female, of the Yi nationality), Li Ruishan, Li Ruihuan, Li Xipu, Yang Feng [2799 7364] (of the Naxi nationality), Yang Wengui (of the Li nationality), Yang Daidi (female, of

the Yi nationality), Yang Baibing, Yang Chugui (female, of the Dong nationality), Yang Shangkun, Yang Ming (of the Bai nationality), Yang Hui (female), Wu Jieping, Wu Yigong, Wu Zhen, He Ying, He Haoju, Hederbai (of the Kazak nationality), Zou Yu, Shen Zulun, Song Ping, Song Renqiong, Song Rufen, Chi Haotian, Zhang Yuhuan, Zhang Zaiwang, Zhang Youjun (of the Yao nationality), Zhang Xingrang [1728 5281 6245], Zhang Maozhong [1728 5399 1813], Zhang Guoji, Zhang Chengxian, Lu Wenfu, Amudun Niyaz (of the Uyur nationality), Ngapoi Ngawang Jigme (of the Tibetan nationality), Chen Xian, Chen Zuolin, Zhen Zongji, Chen Shunli, Chen Jinhua, Chen Muhua (female), Chen Heqiao, Chen Suiheng, Lin Yueqin (female), Lin Lanying (female), Lin Liyun (female), Lin Xiao, Yu Wen, Luo Tian, Luo Pingyi [5012 1627 5030] (of the Bouyei nationality), Zhou Lirong [0719 4409 2837], Zhou Gucheng, Zhao Nanqi (of the Chaoxian [Korean] nationality), Zhao Zisen [6392 2737 2773], Zhao Pengfei [of the Manchu nationality], Hao Yichun (female), Rong Yiren, Hu Jintao, Hou Baolin (of the Manchu nationality), Jiang Shengjie, Hong Xuezhi, Huanjue Cailang [1360 3635 2088 6745] (of the Tibetan nationality), Fei Xiaotong, Jia Zhijie, Xiarong Duobu [1115 5422 2614 1580] (of the Tibetan nationality), Ni Zhifu, Aisin Giorro Pujie (of the Manchu nationality), Guo Zhi, Pu Jiexiu (female), Tao Dayong, Huang Zhizhen, Huang Bingxin, Cao Longhao (of the Chaoxian [Korean] nationality), Cao Zhi, Chang Zonglin [1603 1350 3829], Chang Xiangyu [1603 7449 3768] (female), Fu Hao, Zhang Wenjin, Zhang Shiming, Zhang Ruiying (female), Peng Chong, Peng Qingyuan, Dong Jianhua, Dong Yinchu, Jiang Yiwei, Han Peixin, Han Weixin [7281 4850 0341], Cheng Xu, Lei Jieqiong (female), Cai Zimin, Liao Hansheng (of the Tujia nationality), Liao Hui, Seypidin Aze (of the Uyur nationality), Yan Longan [7346 7893 1344], Bo Yibo, Huo Yingdong, and Huo Mingguang

Secretary General

Peng Chong

Zhao Ziyang Requests 'Leave'

OW1903064590 Beijing XINHUA in English 0633 GMT 19 Mar 90

[Text] Beijing, March 19 (XINHUA)—Yao Guang, spokesman of the Third Session of the Seventh National People's Congress (NPC), disclosed here today that former party General Secretary Zhao Ziyang has asked for leave and will not attend the session scheduled to open tomorrow.

The hour-long press conference was attended by over 200 Chinese and foreign correspondents.

Asked whether China's legislative body will have more power in its work, Yao said that institutions have been set up and are functioning under the National People's Congress and a number of ministries under the State Council to prepare for laws, decrees and regulations.

Nevertheless, he acknowledged, China still has some way to go in improving and perfecting the performance of the legislature, the National People's Congress. And much work needs to be done to strengthen democracy and the legal system.

He said that China is not in favor of the essence of the capitalist system. On the other hand, however, the democratic procedures and ways of operation which have been in use for a long time are worth learning for reference.

Answering another question, Yao said that the screening of companies will be one of the important issues to be dealt with at the coming session. Government ministers will answer questions raised by NPC deputies on this and other issues.

First News Briefing Held

OW1903141590 Beijing XINHUA Domestic Service
in Chinese 1102 GMT 19 Mar 90

[By reporters Zhang Sutang (1728 1372 1016) and Jiao Ran (3542 3544)]

[Text] Beijing, 19 Mar (XINHUA)—Yao Guang, spokesman for the Third Session of the Seventh National People's Congress [NPC], held his first news briefing in the Great Hall of the People this morning.

Yao Guang said: The upcoming Third Session of the Seventh National People's Congress is to be held after China experienced turmoil last year and when our present domestic political, economic, and social situation is stable. Nearly 3,000 deputies have gathered in Beijing. They will speak freely and without any inhibitions, pool their wisdom, and fully exercise the rights of a people's deputy. Yao Guang expressed his belief that the session will surely be able to express the aspirations of the people of all nationalities in China, display democracy, strengthen unity, enhance vigor, and continue to push forward our cause of socialist construction and reform.

After introducing the agenda of the session, Yao Guang said: Several important reports and draft laws to be deliberated by the session are important matters which have a bearing on the overall situation of the country. So, there is news to cover. There will be some personnel changes that the outside world is concerned about, but the changes will not be like what Hong Kong newspapers speculate.

Answering questions on a change of the chairman of the Central Military Commission of the People's Republic of China, Yao Guang said: Deng Xiaoping is the first to call for the abolition of lifelong tenure of leading cadres in China. He put forward a request for resignation from the chairmanship of the Central Military Commission. This morning's meeting of the Presidium accepted his request and will submit it to the congress for deliberation. The candidates for the new chairman of the Central

Military Commission will be nominated by the Presidium and decided by the deputies after deliberations and consultations, and then the congress will elect the new chairman.

On why Hu Jiwei was dismissed from his posts as deputy to the NPC, member of the NPC Standing Committee, and vice chairman of the NPC Education, Science, Culture and Public Health Committee, Yao Guang said: It conforms to legal procedures for the Sichuan Provincial People's Congress Standing Committee to recall Hu Jiwei from the post of deputy to the NPC. According to the PRC Constitution and the NPC Organic Law and Electoral Law, NPC deputies are elected by provincial, autonomous regional, and municipal people's congresses. They are supervised by the electoral units. The electoral units have the right to recall any NPC deputy elected by them and they will recall the deputy if they consider him or her unfit. Yao Guang said that Hu Jiwei committed the mistakes of supporting and participating in the turmoil and of infringing upon the rights of others. He cited an example and said: During the turmoil, Hu Jiwei incited an illegal student organization at Tiananmen Square to issue "A Letter to the People of the Whole Nation" and revised the letter. As a member of the NPC Standing Committee, Hu Jiwei did have the right to make proposals according to legal procedures to the NPC Standing Committee, including the proposal for holding a provisional NPC Standing Committee meeting. However, as initiator of the proposal, Hu Jiwei signed the names of some other NPC Standing Committee members on the proposal without their consent. This is an infringement upon their rights and thus illegal. In accordance with relevant regulations, if an NPC deputy is recalled by his or her electoral unit, he or she is also stripped of any other NPC posts that he or she holds, including membership in the NPC Standing Committee and posts in NPC special committees.

A Taiwan reporter pointed out that a great change has taken place in Taiwan's political situation recently and Taiwan is concerned about a report on movements of Chinese Communist troops in Fujian coastal areas. The reporter asked Yao for comments. Yao Guang said: The Liberation Army troops in Fujian recently conducted a regular or routine military exercise. Such military exercises are routine and no surprise.

Yao Guang said: In order to enable reporters to know more about the situation of the congress, we plan to hold several news conferences. Arrangements have been made for leaders of the State Council, responsible persons of the government departments and commissions concerned, people's deputies, and members of the National Committee of the Chinese People's Political Consultative Conference to meet the press and answer questions.

Yao Guang also answered other questions raised by reporters at the news briefing. Some 100 Chinese and foreign reporters attended the news briefing.

TA KUNG PAO Editorial

*HK2003061990 Hong Kong TA KUNG PAO
in Chinese 20 Mar 90 p 2*

[Editorial: "A Meeting of Democracy, of Unity, and of Stabilizing the Overall Situation"]

[Text] The Third Session of the Seventh National People's Congress (NPC) is scheduled to solemnly open in Beijing today. A preparatory meeting was held yesterday to elect the presidium for the session, consisting of 149 members and the secretary general, and to adopt the agenda for the session. In his speech, Chairman of the NPC Standing Committee Wan Li believed that through the common efforts of all delegates, "the meeting will be a meeting of democracy and unity, bracing our spirits to overcome difficulties, stabilize the overall situation, promote improvement and rectification, and deepen the reform." For China today, strengthening unity and bracing the people's spirits are essential conditions for getting over difficulties and stabilizing the overall situation.

This year is the first year of the 1990's. After going through the decade-long reform, China is now at the threshold of the last decade of the 20th century, when the international situation changes so rapidly that it is unpredictable. Who would have thought that a fundamental and drastic change could have taken place in East European countries, Germany, and the Soviet Union in less than one year, which inevitably attracts the Chinese authorities' special attention and concern. Following the "Tiananmen incident" at the turn of spring and summer last year, China got into difficulties in internal and foreign affairs, but the situation seems to have tended to stabilize. In the period of less than one year since the "4 June" incident, China has indeed scored successes in various fields and continues to make achievements. A stable social and political environment and unity of the entire people are essential conditions for attaining further achievements in improvement and rectification and deepening the reform. Therefore the current sessions of the Chinese People's Political Consultative Conference (CPPCC) National Committee and the NPC will have a more important role to play in preserving unity, inspiring the people, and stabilizing the overall situation.

Since all factors at home and abroad are in constant change with some growing and others declining, and since we are to encounter additional difficulties and obstacles as well as subversive plots by internal and external hostile forces on our way of advancement, the two sessions should: Give full play to democracy so that the delegates will speak their mind freely; make an analysis of the situation in a practical way; and conscientiously examine and discuss various motions in a bid to effect an upswing in the economy.

Yesterday the CPC Central Committee invited responsible members of all democratic parties, the All-China Federation of Industry and Commerce, and nonparty personages to discuss how to make the two important

sessions a success. Earlier, the Sixth Plenary Session of the CPC Central Committee decided that the whole party should perform three significant tasks well: first, maintain national and social stability; second, further promote improvement and rectification and deepening of the reform; third, strengthen party building. The decision makes it clear that establishing closer relations with the masses is an essential condition for accomplishing the first two tasks. Jiang Zemin hoped that the democratic parties will help the CPC to carry out the decision.

The "4 June" incident last year shocked Chinese in Hong Kong, and Chinese and foreigners of Chinese descent in other countries. The wound left by the incident remains in their heart. Taking into account China's actual conditions, its fragile economic forces in particular, China cannot really stand drastic social and political disturbances. If the events in East European countries happened in China, it is the Chinese people who would suffer. From what happened in East Europe, more and more citizens, cadres, and intellectuals realize that it was imperative to suppress the rebellion last summer. There is also a similar change in the public opinion abroad. We should assess a thing from a long-term point of view, and should allow history to make judgment.

Naturally, stressing the necessity of maintaining stability, to which the Chinese authorities attach primary importance, in no way means that opinions different from official ones as well as criticism of the CPC, of the corruption within the party, and of the malpractice of abusing power for personal gain will not be allowed. On the contrary, the Sixth Plenary Session of the CPC Central Committee emphasized that "in view of the historical and current experience, it is necessary to make unremitting efforts from now on to build closer ties between the party and the masses in seven aspects." The rhetoric "in view of the historical and current experience" indicates that the CPC has reflected upon its mistakes in its work and the historical and current international environments, and has made up its mind to thoroughly improve the relations between the party and the masses and restore the time-honored fine tradition.

The last 10 years of the 1990's are really critical for development in China. They are also critical for compatriots residing in Hong Kong, because during this period China will recover its sovereignty over Hong Kong and carry out the principle of "one country, two systems." While paying close attention to the change in the political and economic situation in China, compatriots residing in Hong Kong are duty-bound to get a better understanding of the political system practised in China. Together with the 1.1 billion people of the motherland, they should urge the government to improve its work of opening up to the outside world and to improve mutual understanding. Hong Kong and Macao delegates to the NPC and members of the CPPCC should serve as a bridge between compatriots residing in Hong Kong and Macao and people in China, paying due contributions to ironing out differences over particulars of the Basic Law,

and strengthening the economic ties between two parties. Only such endeavors will bring benefits to the future of Hong Kong and China. The local NPC delegates and CPPCC members may well begin this work at the current sessions.

Third Session Opens 20 Mar

OW2003125190 Beijing XINHUA Domestic Service
in Chinese 0921 GMT 20 Mar 90

[Excerpts] Beijing, 20 Mar (XINHUA)— The Third Session of the Seventh National People's Congress (NPC) opened in the Great Hall of the People this morning.

Premier Li Peng pointed out in his government work report to the meeting: In the annals of the the People's Republic of China, 1989 was an extraordinary year. [passage omitted]

The stately Great Hall of the People was filled with a warm atmosphere of democracy and unity. A great national emblem was hung over the center of the rostrum. On its flanks were 10 gay-colored red flags.

The executive chairmen at today's meeting were the executive chairmen of the Presidium. They were Wan Li, Xi Zhongxun, Peng Chong, Ngapoi Ngawang Jigme, Seypidin Aizezi, Yan Jici, Ye Fei, Liao Hansheng, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, and Wang Hanbin, all seated in the front row on the rostrum.

Comrades Jiang Zemin, Yang Shangkun, Li Peng, Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, and Wang Zhen, and members of the Presidium were seated on the rostrum. When they arrived on the rostrum, the deputies greeted them with a warm applause. They too applauded to extend their cordial greetings to the deputies.

At 0900, Wan Li declared the congress open. All rose to their feet, and a military band played the National Anthem.

Then Premier Li Peng delivered a report on the work of the government on behalf of the State Council. His report contained three parts in some 27,000 characters. [passage omitted]

In the course of Premier Li Peng's report, the audience repeatedly burst into warm applause.

Also seated on the rostrum were Comrades Tian Jiyun, Li Tieying, Li Ximing, Qin Jiwei, Ding Guangen, Bo Yibo, Song Renqiong, Liu Huaqing, Yang Baibing, Wen Jiabao, Wang Bingqian, Song Jian, Zou Jiahua, Li Guixian, Chen Xitong, Chen Junsheng, Ren Jianxin, Liu Fuzhi, Wang Renzhong, Fang Yi, Gu Mu, Yang Jingren, Pagbalha Geleg Namgyai, Hu Ziang, Wang Guangying, Deng Zhaoxiang, Zhao Puchu, Qu Wu, Ma Wenrui, Liu Jingji, Wang Enmao, Qian Xuesen, Qian Weichang, Hu

Sheng, Sun Xiaocun, Cheng Siyuan, Lu Jiayi, Qian Zhengying, Su Buqing, Ismail Amat, Hou Jingru, and Ding Guangxun.

Present at today's meeting as observers were members of the National Committee of the Chinese People's Political Consultative Conference [CPPCC] who are convening the Third Session of the Seventh CPPCC National Committee; responsible persons of central party, government, and Army leading organs; and responsible persons of democratic parties and mass organizations.

Foreign diplomatic envoys in China were present at the meeting as visitors.

Li Peng Presents Work Report

HK2003050690 Beijing Domestic Service in Mandarin
0105 GMT 20 Mar 90

["Report on the Work of the Government" delivered by Premier Li Peng at the Third Session of the Seventh National People's Congress in the Great Hall of the People, Beijing—live]

[Text] Fellow deputies:

On behalf of the State Council, I will now make a report on the work of the government to this session for examination and approval.

I. 1989 in Retrospect:

In the history of the PRC, the year 1989 was a very unusual year. In that year, the people of all nationalities throughout the country experienced a soul-stirring struggle and a severe test. They overcame one difficulty after another, consolidated and developed the socialist position of China, which has a population of 1.1 billion, and achieved a great historical victory.

The victory achieved last year was mainly expressed in the following three aspects: First, the disturbances were curbed and the counterrevolutionary riot was quelled. Second, comparatively remarkable successes were achieved in economic improvement and rectification and the in-depth reforms. Third, a favorable new turn appeared on the political and ideological front. The victory in these fields is undoubtedly of great significance and has produced a far-reaching influence on deepening people's understanding, boosting national spirit, and ensuring our country to further advance along the socialist road.

In the late-spring and early-summer days of last year, a handful of people made use of the student movement to start an organized, planned, and premeditated political turmoil. It then developed into a counterrevolutionary riot in our capital, Beijing. The essence of this disturbance was the sharp antagonism between bourgeois liberalization and the four cardinal principles, and a fierce struggle against infiltration, subversion, and peaceful evolution. By creating this disturbance, the

hostile forces both at home and abroad intended to overthrow the leadership of the CPC, subvert the socialist system, and turn China into a bourgeois republic and a dependent of the developed capitalist countries.

When the state and the nation were at a critical moment when their life or death hung in the balance, the proletarian revolutionaries of the older generation, represented by Comrade Deng Xiaoping, made vigorous efforts to turn the tide. They played an important role as the mainstay in the struggle. Supported by the people of all nationalities, the heroic People's Liberation Army, the Armed Police, and the public security cadres and police made tremendous contributions to suppressing the turmoil and riot. On this occasion, we would once again like to pay them our lofty respects!

Owing to the victory in suppressing the turmoil and riot, we have smashed the plot of international anti-China forces to subvert the legal government and the socialist system in China and have protected the achievements made by innumerable revolutionary martyrs and people with lofty ideals in their struggles for the existence and liberation of the Chinese nation over the past more than 100 years, the achievements of our new democratic revolution and socialist revolution over the past more than 50 years, and the achievements of our socialist construction over the past 40 years, and of the reform and opening up over the past decade. We have also prevented violent sabotage in the political and economic fields and a great historical retrogression in China.

Having gone through a baptism of blood and fire, the socialist People's Republic of China continues to appear in the world as an independent state acting with the initiative in its own hands, relying on its own efforts, continuing to carry out reform and open up to the outside world, and advancing forward vigorously. Either at home or abroad, the great significance of the victory of this struggle will inevitably be more and more clearly displayed in the future with the development of history.

Socialist social order was resumed very quickly after the riot was quelled. For this reason, the martial law imposed on some parts of the capital was lifted more than two months ago. At present, stability has been achieved in the political, economic, and social fields throughout the country. Facts prove that the policy decisions and measures the CPC and the Chinese Government adopted to suppress the turmoil and riot were correct. They were in keeping with the common aspirations and fundamental interests of the people of all nationalities in our country, and they can stand the test of history.

The disturbance of last year greatly obstructed the process of the economic improvement and rectification and the in-depth reforms, and brought about fairly great losses to our economy. However, through the hard struggle and common efforts of the workers, peasants, intellectuals, and people of various social circles under

very difficult conditions, comparatively good results have still been achieved in economic improvement and rectification. Our national economy is developing in a good direction. This fully reflects the strong will of the Chinese people, who are united in their struggle, and the great vitality of the socialist system. Inflation, which is seriously affecting economic stability and development, has been controlled. The contradiction characterized by the general social demand being higher than the general social supply has been relaxed to a certain extent. Last year, the general level of retail prices increased by 17.8 percent over the previous year. This margin of increase was lower than that of the previous year. Although it was not much lower than the previous year, the trend of growth was weakening month by month. Over the past five months, beginning with last October, the growth rate has been reduced to about seven percent.

At present, the situation of commodity supply is comparatively good. Market commodity prices are basically stable. This is a sharp contrast to the panic purchasing that appeared in 1988. Last year, a total of 400 billion yuan was invested in the fixed assets of the entire society, which was nearly 50 billion yuan less than the previous year. The actual scope of the reduction is even bigger after allowing for the price increase. The trend of excessive growth of the consumption funds was curbed. Savings deposits in both urban and rural areas increased by 133.4 billion yuan, or 35 percent, over the previous year. This was a powerful support for our national economic construction and an expression of the people's faith in the government's economic policy. The money supply was reduced by a big margin, the scope of credit was controlled, and the financial situation showed development.

The first step was made in the readjustment of the economic structure. While strengthening overall control over the general quantity through readjusting the investment makeup and credit structure, the construction of a number of office buildings, auditoriums, and hotels, the construction of a number of generally high-consumption, low-level, and repeated general processing industrial projects, and the construction and production of some products that might encourage high-consumption and consumption in advance were suspended or canceled. Production and construction in some basic industries, including agriculture, energy resources, major raw and processed materials, communications, and telecommunications, were strengthened. Many localities and enterprises achieved certain results in taking the initiative to readjust the product mix and make efforts to increase the production of marketable products in light of the changes in the market and in demand.

The disorder in the circulation field had been basically straightened out. The work of screening and rectifying various types of companies had also made some progress. By the end of February of this year, a total of more than 70,000 companies across the country had either been abolished or amalgamated. These companies accounted for some 24.5 percent of the total number of

companies in China. The majority of various types of companies run by the party and government organs had been abolished. By the end of February of this year, ... [pause as heard] in the whole country had relinquished their posts in various organs. Thus the problem of cadres of various organs assuming posts or holding concurrent posts in various types of companies had been basically resolved. More than 90,000 law-violation and discipline-violation cases had been investigated and cracked in the course of screening and rectifying various types of companies. A total of 280 million yuan had been collected as fines or had been confiscated. The blind development of various types of companies in the circulation field had also been brought under control. A total of 850,000 various types of economic law-violation cases had been investigated and cracked in the course of rectifying the economic order. A total of 1.1 billion yuan collected as fines or confiscated had been turned over to the state finance. A total of 11.6 billion yuan involved in various types of discipline-violation cases had been recovered through national taxation, auditing, finance, and price examination. All areas and departments concerned had also rectified the market order, gradually formulated and perfected the market-related laws and regulations, and strengthened market management.

The national economy maintained an appropriate growth rate. There was also a continuous increase in the effective supply. In 1989, the total gross national product reached 1,567.7 billion yuan, representing a 3.9-percent growth over the previous year; the national income reached 1,300 billion yuan, representing a 3.7-percent growth over the previous year; the total agricultural output value reached 655 billion yuan, representing a 3.3-percent growth over the previous year; the total grain output reached 407.45 million tons, reaching an all-time high; and the total industrial output value reached 2,188 billion yuan, representing an 8.3-percent over the previous year.

Some key products that have an important bearing on the national economy and people's livelihood also sustained a good momentum of development. Steel output topped 60 million tons, reaching 61.24 million tons; chemical fertilizer output reached 18.55 million tons, representing a 6.6-percent growth over the previous year; coal output topped one billion tons, reaching 1.004 billion tons; and electric energy production output reached 582 billion kilowatt-hours, representing a 6.7-percent growth over the previous year. Thus the contradiction caused by a serious imbalance between the development of our energy industry and the development of our national industry over the past several years was mitigated to a certain extent.

Progress was also witnessed in our capital construction. Last year, a total of 57 big and medium-sized capital construction projects were built and went into operation. A total of 25 above-quota key technological transformation projects were built. The newly added production capacity included: 9.02 million kilowatts of installed

generator capacity, 24.95 million tons of raw coal-mining capacity, 18.70 million tons of coal-washing capacity, 16 million tons of crude oil extraction capacity, 318 kilometers of multiple railroads, 2,610 kilometers of key highways, 48.85 million tons of harbor handling capacity, and 1.05 million telephone sets in the urban areas.

Our foreign trade and technological and economic exchanges also witnessed continued development. Last year, our total import and export volume reached \$111.6 billion, representing an 8.6-percent growth over the previous year, of which the total export volume reached \$52.5 billion, representing a 10.5-percent growth over the previous year. The whole country invited and absorbed a total of \$9.6 billion of foreign funds and approved a total of 5,784 projects directly invested by foreign businessmen and entrepreneurs. Various special economic zones and coastal areas which are open to the outside world also made new headway in developing the export-oriented economy.

Last year, our country's tourist industry encountered enormous difficulties. Nevertheless, due to our increased efforts in this regard, it is now gradually recovering. Last year, our country earned a total of \$1.8 billion of foreign exchange. The state foreign exchange reserve also showed an increase. Our balance of international payments also witnessed improvement.

In the course of improving the economic environment, rectifying the economic order, and deepening the reform, our country's science, technology, education, culture, public health, sports, national defense construction, and various other undertakings saw continued development. Last year, the state approved the conferment of a total of 178 natural science research prizes, 504 scientific and technological progress prizes, and 150 invention prizes. Our scientific and technological research achievements in certain fields approached or attained the advanced international standard. In the course of steady development, our education undertaking further improved its own quality, readjusted its own structure, and strengthened its ideological and ethical education. Various cultural undertakings also made continued progress. Medical and sanitary conditions in the urban and rural areas also improved. Our sports undertakings scored relatively good achievements. The People's Liberation Army stepped up its own revolutionization, modernization, and regularization building and made new contributions to defending the security of our motherland, safeguarding social stability, and supporting the national construction.

What is particularly gratifying is that after summing up the experiences and lessons of last year's turmoil and rebellion, our political and ideological front took a favorable turn. A few years ago, the ideology of bourgeois liberalization prevailed in our country. Its prevalence not only failed to be criticized, repudiated, and resisted, but was also encouraged and supported. However, that situation has been primarily reversed since the

second half of last year. A few years ago, our political and ideological work was weakened, indeed. Now it has once again been given pride of place. Some of our effective ideological education systems and measures have also been restored and perfected. A few years ago, due to our slackening of the building of a clean government, such malpractices as holding feasts, giving gifts, excessive eating and drinking, extravagance, waste, seeking private gains by abusing power, and so on, emerged. Some people even violated laws and discipline, gave bribes, took bribes, took possession of illicit money and goods, and perverted the law, thus seriously encroaching upon the interests of the state and the people and damaging the prestige of the CPC and the people's government.

Since the second half of last year, the CPC Central Committee and State Council have become more determined than ever to eliminate corruption and build a clean government. They have taken a series of practical measures in this regard, and especially have directed energies toward grasping seven things about which the broad masses of the people are most concerned, thus making a good start for the work of building a clean government. A few years ago, it was all right for us to attach great importance to the building of material civilization. However, we neglected the building of spiritual civilization. As a result, we failed to lay equal stress on both aspects. A variety of unhealthy trends and evil practices emerged in our society. Some evil and ugly social phenomena which had disappeared after the founding of the PRC once again appeared in our society.

Since the second half of last year, redoubled efforts have been made to strengthen the ideological education on patriotism, collectivism, and socialism, extensively publicize the advanced deeds of model workers and advanced workers, carry out activities of learning from Lei Feng and Lai Ning, thus developing the healthy spirit of socialism. In the meantime, efforts have also been made to carry out the anti-pornography struggle and the struggle aimed at eliminating six vices, thus basically checking the spread of various evil and ugly social phenomena.

A lot of work has also been done in respect of cracking criminal crimes and economic crimes. Last year, a total of more than 1.1 million various types of criminal cases were cracked, of which some 270,000 cases were major and serious criminal cases. A total of 53,771 economic criminals, who had committed economic crimes involving a total of 511 million yuan, surrendered themselves to the procuratorial, judicial, and supervision organs in various parts of our country. By now, some of these major and serious cases have been made public while others are still under hot investigation.

Now our country is still faced with many problems and difficulties in the course of advance. Some deep-rooted problems, such as imbalance in the structure of production that has been shaped over the past few years, irrationality of the economic structure and operational mechanism, and poor economic performance, are far

from being resolved. Meanwhile, some new contradictions and problems have cropped up in the course of economic improvement and rectification, including a flaccid market, a sharp drop in the growth rate of industrial production, and an increase in the number of enterprises whose production has been shelved or partly shelved. The old contradictions are interwoven with the new ones. This has made the problems and difficulties we are facing more serious and made our efforts to overcome them more arduous and complex.

Some progress has been made in the task of maintaining the cleanness of government, but some negative and corrupt phenomena such as bureaucracy, formalism, commandism, individualism, and abuse of power for personal gain still exist among some units and cadres. These are all the serious problems which usually arouse strong resentment among the masses of the people. In some areas, serious criminal activities have not been rigorously punished, public order has not been improved markedly, and different kinds of ugly social things are far from being eliminated. The whole society is still threatened by some factors of instability. We should take full account of and attach great importance to the problems and difficulties we are now facing and must on no account dismiss the importance of them. Only by so doing shall we be able to make a firmer resolve to overcome difficulties and problems, further consolidate the political situation of stability and unity, and spare no effort to spur the development of our construction, reform, and opening up to the outside world.

Reviewing the year 1989, we realize that the people of all the nationalities in our country managed to hold fast to the socialist position, the complicated and changeable international situation, and accumulated valuable experience in the course of practice, which will prove to be important to China's stable political, economic, and social development in the days ahead.

First, resolutely preserve national and social stability:

To achieve our socialist modernization and attain the three-stage strategic goal, we need a peaceful international environment and a political situation of stability and unity at home as well. The disturbance that broke out last year has once again taught us that if a country is in turmoil and a society is in a state of serious anarchism, economic construction, reform, and opening up to the outside world is out of the question and, moreover, the people's daily life and their lives and property cannot be guaranteed. The Chinese people have suffered enough from the turmoil and will allow no one to stir it up again and turn socialist China, which is full of promise and has a bright future, into a chaotic and turbulent one. Maintaining stability is in the fundamental interests of the people of the whole country and accords with the will of the people and the general trend of events. When we are confronting pressure from abroad and difficulties at home, preserving the country's stability is a matter of paramount importance. Every citizen of the PRC must

treasure the hard-won political situation of stability and unity as he treasures his own life.

Second, keep to the socialist road and uphold leadership by the Communist Party:

The socialist road chosen by the Chinese people is the inevitable result of historical development. The whole course of the struggles waged by the Chinese nation for national liberation and independence and the well-being of the people over the past century has proved the truth that only socialism can save China and only socialism can develop China. If our country fails to preserve socialism but retreats to the capitalist road as some people have advocated, the polarization between the rich and the poor will inevitably appear, the majority of people will be bogged down in poverty, our society will plunge into long-term turmoil, and crimes such as swindling and morale degeneration, which are inherent in the exploiting society, will spread unchecked. Under such circumstances, the economy cannot be developed and our country cannot be independent in a real sense but will be turned into a vassal of capitalist developed nations.

Only by preserving socialism will we be able to achieve common prosperity, will the people of the whole country be able to unite and struggle hard for common ideals and goals on the basis of their fundamental interests, will we be able to safeguard national independence and the nation's dignity and achieve modernization, and will China have a bright future. Preserving socialism cannot be separated from upholding leadership by the Communist Party. The leading position of the CPC has been shaped in long-term struggles and chosen by the Chinese people of their own accord. In China, without preserving socialism and upholding leadership by the Communist Party, there would be no stability in our country or unity of the people, and the rejuvenation of the Chinese nation would be out of the question.

Third, more closely combine adherence to the four cardinal principles with adherence to the policies of reform and opening up to the outside world:

The political disturbance that emerged at home and in the world has profoundly taught us that building socialism without carrying out reform and opening up to the outside world will not work; nor will it do so if the policies of reform and opening up to the outside world do not hold to the orientation of socialism. Reform and opening up to the outside world is the only way to expand the socialist productive forces and make our country strong and prosperous. There are two completely different views on the issue of reform and opening up to the outside world. One is characterized by the self-perfection and development of the socialist system; the other is aimed at leading our country toward capitalism. It is only under the prerequisite of upholding the four cardinal principles that our reform and opening up can stick to a correct orientation. We should seriously draw lessons from what we have experienced in the past few

years. While paying attention on the one hand to the building of material civilization, and on the other to the building of spiritual civilization, we should unfailingly push forward the tasks of reform and opening up to the outside world and combat bourgeois liberalization with unremitting efforts. In saying struggle against bourgeois liberation, we do not mean opposing the rights of democracy and freedom vested with our citizens by China's Constitution; we mean something special. We are opposed to the political views of violating the Constitution, which flaunt the banner of freedom, democracy, and human rights but in fact attempt to negate the socialist system in China and the leadership of the CPC. The struggle against bourgeois liberalization will be carried out for a long time to come, and we should be fully prepared in our minds.

Fourth, it is necessary to consistently adhere to the policy of maintaining a sustained, steady, and coordinated development of the national economy:

Continuously developing social productive forces and gradually improving the people's material and cultural living standards are the basic conditions for maintaining state and social stability. They also constitute the fundamental task of socialism. So long as there is no large-scale foreign enemy intrusion, we should at all times take economic construction as the key link and concentrate our efforts to develop the national economy. To attain this objective, the most important experience and lesson gained in economic construction over the 40 years since the founding of the PRC is to resolutely implement the policy of sustained, steady, and coordinated development of the national economy. In our practical economic work in the past, we often deviated from our national conditions, exceeded our national strength, and one-sidedly sought a high growth. There has been an overheated economy despite the tremendous successes achieved in economic construction in recent years. Construction developed on too large a scale has led to overall imbalance, deteriorated structure, and intensified inflation, forcing us once again to readjust the economy. We cannot be overanxious for quick results in construction, reform, or the work to improve the economic environment and rectify the economic order. To realize the strategic objective of quadrupling the GNP by the end of the century, we must strive to maintain an annual progressive economic growth of around 5.8 percent in the coming years. The key lies in increasing economic efficiency, maintaining overall balance and coordinated structure, and putting economic development on the track of a benign cycle. The purpose of the ongoing improvement and rectification work is to eliminate the unstable factors left over from the overheated economy in the past few years, and create a favorable environment and conditions for the sustained, steady, coordinated development of the national economy in the 1990's. It is normal to maintain a slightly lower economic growth during the period of improvement and rectification. We should never in the slightest degree shake our determination to carry out improvement and rectification and deepened reform for this reason.

Fifth, it is necessary to ensure stability and continuity of the basic principles and policies:

Since the Third Plenary Session of the 11th CPC Central Committee, we have formulated and developed a full set of basic principles and policies for building socialism with Chinese characteristics. Practice has proved that these principles and policies conform to China's reality, are correct, and have won the support of the broad masses. Following the disturbance last year, we have repeatedly reiterated that the general policy of reform and opening up, and the other basic policies, will remain unchanged. This has played an immense role in reassuring public feeling and stabilizing the overall situation. In the years ahead, we should continue to make efforts to maintain stability and continuity of the basic principles and policies. Regarding the introduction of, or changes in, major policy decisions and reform measures, it is necessary to proceed from practice, follow the mass line, hold democratic discussions, make scientific deliberations, consider carefully, and never act hastily. On the premise of keeping the basic principles and policies continuously unchanged, it is necessary to earnestly sum up experience, promote what is beneficial and abolish what is harmful, and make necessary readjustments on some specific policies and reform measures so that they become more substantiated and perfect, and are conducive to China's political, economic, and social stability and development.

Sixth, it is necessary to firmly rely on the masses, maintain close ties with them, resolutely eliminate corrupt practices, and earnestly improve our work style:

The masses of the people are the sources of our strength and the foundation of our victory. In the disturbance last year, the broad masses stood firmly against the turmoil and rebellion, and rallied closely around the CPC and the people's government, showing their high political awareness and sense of historical responsibility. Without the support of the broad masses of the people, it would be impossible for us to attain victory in the struggle. Following the curbing of the turmoil and quelling of the rebellion, the broad ranks of workers, peasants, and intellectuals were eager to meet the needs of the state in the face of many difficulties. They made strenuous efforts to make up for the economic losses caused by the turmoil and rebellion, and made positive contributions to political and social stability. The Chinese people have glorious revolutionary traditions and high national integrity and are a great people who will never yield to any outside pressures.

With such good people, our country is full of promise. So long as the Communist Party and the people's government consciously and unswervingly fight against corruption, earnestly improve their work style, and constantly strengthen their ties of flesh and blood with the people, they will remain invincible and be capable of overcoming the difficulties and riding out the storms, however big they may be.

II. Domestic Work in 1990

This is the first year of the 1990's. In the coming decade, we must attain the second step of the strategic objective; that is, to redouble the GNP and enable the people's living standards to reach a comparatively well-off level. Here the tasks are grander and more arduous. This year is also a crucial one for improvement, rectification, and deepened reform. As the problems accumulated over the years are mixed up with the new emerging problems and the difficulties in various fields grow relatively greater, doing a good job of this year's work will not only have a direct bearing on whether or not we can smoothly fulfill the improvement and rectification task, but also be of great significance to the construction and reform of the entire nineties.

In light of the spirit of the Fourth, Fifth, and Sixth Sessions of the 13th CPC Central Committee, and in connection with the current reality, the general guidelines for government work in 1990 are: Unswervingly implement the party's basic line for the initial stage of socialism; persist in taking economic construction as the key link; uphold the four cardinal principles; adhere to reform and opening up; arouse all positive factors; unite the people of all nationalities throughout the country; enhance our vigor; overcome the difficulties; and work hard for the smooth progress of improvement, rectification, and deepened reform, and for further political, economic, and social stability and development of the country.

Political and social stability is the prerequisite and economic stability is the basis. In the final analysis, it is necessary to concentrate forces to develop the national economy. According to the state plan, this year's GNP should increase by five percent over the previous year, total industrial output value by six percent, and total agricultural output value by four percent. Grain output should reach 412.5 million metric tons, 5.05 million metric tons more than the previous year. This year is a crucial one for improvement, rectification, and deepened reform. While continuously persisting in, exercising, and improving control over the total amount, we should put the stress on structural readjustment and increasing efficiency. We should integrate reform with development more closely so that the economy as a whole will further develop along the direction of a benign cycle. To this end, the State Council held that governments at all levels should strive to do the following work well this year.

First, concentrate forces to run agriculture well, strive for good harvests in grain, cotton, and other farm produce, and promote the all-round development of agriculture, forestry, animal husbandry, and sideline occupations:

The steady development of agriculture is the foundation of the country's political, economic, and social stability. Governments at all levels should put agriculture in a primary position of economic work, mobilize the people of the whole country from top to bottom and all trades

and professions to support and develop agriculture with concerted efforts. The state will increase investment in agriculture this year. Banks at all levels should increase the amount of loans granted to agriculture. Of the capital construction and investment controlled by the central government, investment in agriculture should increase by around (23.4) percent over the previous year, the largest amount over the past decade.

Governments at all levels should also try as much as possible to increase their investment in agriculture. The collective sector in rural areas and the peasants are the main investors. It is necessary to give guidance and organize them to invest more funds in agricultural production and development, and at the same time increase all kinds of accumulation. Since last winter and this spring, all localities throughout the country launched a large-scale farmland capital construction [words indistinct]. We must unswervingly grasp this work year in and year out, seek practical results, and avoid formalism.

Governments at all levels must conscientiously implement the principle of relying on scientific progress for invigoration of agriculture, and earnestly strengthen or organize wide-spread application of agriculture-oriented scientific and technological know-how. With a view to coping with the weak links in agricultural development, and centering around the goal for a stable and high output of grain, cotton, and oil-bearing crops, we are going to particularly encourage systematic cultivation of improved crop strains, application of plastic sheeting, reform of cultivation systems, as well as adoption of all-round prevention and control of plant diseases and insect pests, rational application of fertilizers, water-efficient cropping and dryland farming for North China, and many other technical measures. More agrotechnicians should be mobilized to work at the forefront of production to improve scientific and technical training for peasants, and perfect agrotechnology popularization and organizations service with the focus laid on the township level. Governments at all levels must give financial and material support, and make every effort to increase the production and supply of chemical fertilizer, agricultural chemicals and plastic sheeting for farming, agricultural machinery, and other capital goods for agriculture. They should give priority to and ensure the supply of materials, funds, energy resources, and transport facilities that are needed by agriculture-oriented industry, maintain and improve the system of monopoly marketing of important capital goods for agriculture, and try to keep the prices basically stable.

In the final analysis, the key to invigoration of China's agriculture lies in the efforts to give full play to the initiative in production on the part of the vast number of peasants. It is necessary to maintain the stability and continuity of the basic economic policies toward rural areas. While upholding and perfecting the contracted responsibility system linking remuneration to output on a household basis, we encourage the development of all kinds of socialized service systems that support production, scientific and technological research, and supply

and marketing operation before, during, and after production. We will do our best to improve and develop the rural two-tier operational system which integrates centralized administration and diversified operation, and combine the superiority of the collective economy with the peasants' initiative in production. In rural areas where the conditions are ripe, we will appropriately promote fairly large-scale operation as well as the collective economy on a voluntary basis, so as to raise the agricultural labor productivity and the commodity rate of farm products. In order to encourage the peasants to grow more cotton and oil-bearing crops, and to regulate relative interests in the rural economy, the State Council has decided to raise the prices for cotton, oil-bearing crops, and sugar-bearing crops to be purchased under contracts.

To help impoverished areas extricate themselves from poverty and get rich is an important task of far-reaching significance which we must continue to accomplish step by step and in a planned way. Township and town enterprises have played and will continue to play a more important role in promoting the rural economy, increasing job opportunities, and improving the peasants' livelihood. For the time being, they are faced with quite a few difficulties. Our governments at all levels must give them support and guidance. Township and town enterprises should on their part make every effort to implement the principle of readjustment, consolidation, transformation, and improvement, and to carry out in real earnest the operation of improving the economic environment and rectifying the economic order. Local authorities should, in line with the different development level of the productive forces and the requirements of state industrial policies, and in light of local conditions, develop collectively owned township and town enterprises. All these efforts will serve as an essential material basis which will help raise the peasants' income, offer social security in rural areas, develop education there, consolidate grass-roots political power organizations, and promote the development of spiritual civilization.

Second, efforts must be made to reinvigorate the present sluggish market. The stress will be placed on improvement and rectification, structural readjustment, and improvement of the economic results, with a view to ensuring moderate growth in industrial production.

At present, problems in the economic field, especially in industrial production, such as excessive stockpiles of products and manufactured goods, shortage of funds in enterprises, slow production growth, and an increasing number of enterprises running at half capacity or brought to a standstill, have aroused the concern of the whole society.

Recently, the State Council held a few meetings to study and analyze these problems. It is believed that the major cause lies in the sluggish market, and the factors leading to the sluggish market are manifold:

1) Because of the overheated economy and unchecked expansion of processing industries over the past two years, and also because of current efforts to improve the economic environment and rectify the economic order, to curtail investment and consumer demand, to sort out and consolidate companies, and to develop clean and honest government, some enterprises, especially those turning out unmarketable products of inferior quality and high price, have encountered serious difficulties in marketing their products;

2) Thanks to economic improvement and rectification, market prices are rising at a reduced rate and have become relatively stable; and thanks to the introduction of value-guaranteed savings deposits, the public have deposited their money in banks for future purchases, being dominated by the consumer mentality of buying when prices rise and not buying when prices drop;

3) Because of persistent defects in the current economic structure and its operating mechanism, various localities, departments, and enterprises are inclined to pay more attention to their partial interests, retarding progress in readjustment of the industrial structure and products mix; and

4) The State Council failed to adopt timely and rigorous measures, or to apply effective methods to exercise macroeconomic regulation.

On the whole, the phenomena mentioned above are all hardly avoidable during retrenchment for improved economic environment and rectified economic order. They are temporary difficulties and problems that have cropped up on the way ahead. However, we must take them most seriously and lose no time in solving them through effective measures. In this connection, the State Council has decided to take various measures that will serve to ease the present situation, while upholding the financial and monetary retrenchment policy. These measures include appropriately relaxing the curb on money supply; increasing some loans which are to be mainly appropriated as additional circulating funds for enterprises and as additional procurement funds for commercial, material supply, and foreign trade sectors; properly readjusting interest rates for savings deposits and loans; introducing interest-rate differentials for loans; setting up specialized groups to sort out and clear off as soon as possible all debts that involve three parties [san jiao zhai]; fully restore the banks' role as remitting and accepting institutions and thus break the debt chains between enterprises; appropriately increasing investment which is to be made mainly to finance budgeted key construction projects, technological transformation of enterprises, construction of medium- and low-grade living quarters for staff and workers in urban areas, and construction of water conservation and highway projects in rural areas by which disaster relief funds are paid to local people in the form of compensation for labor. On the other hand, the practice of reopening and building any more office buildings, auditoriums, and hotels will be strictly banned, and the prices of some commodities

will be appropriately adjusted, and so on. All these measures are now being relayed to the lower levels and they are bound to play a positive role in economic life.

To change the situation of weak sales in the market and ensure an appropriate and steady growth in industrial production and the entire economy, the fundamental way is to rationally adjust the economic structure and energetically improve economic results. An irrational structure was the cause of economic overheating and prominent contradictions in the country's industrial production several years ago.

There is a need to seize the present favorable situation of economic improvement and rectification to develop new products and new varieties, and to produce good quality brand-name products and undersupplied products in the market. It is also necessary to produce daily consumer goods suited to the needs of the rural areas and to actively increase the production of export commodities and import substitutes. All departments and regions should, in accordance with the state industrial policy and market demand, draw up catalogs of products for limited production, overproduction, and guaranteed production, and should implement the policy of guarantee and reduction in terms of funds, energy, raw materials, and so on, depending on the merit of each case.

While adjusting the product mix, a good job should also be done in introducing an industrial structural adjustment to industrial enterprises. Efforts should be made to maintain the production of energy and major raw materials, and a steady growth in communications and transportation.

Adjusting the organizational structure of enterprises is the most important aspect in reforming the industrial production structure. The core of this problem is to bring into full play the key role of state-run large- and medium-sized enterprises and enterprise groups. This year the state will introduce inclination measures to the distribution of funds, materials, and human resources, providing priority guarantees for the needs of large- and medium-sized enterprises producing top quality and marketable products, and good economic results. At the same time the state will also implement a protection policy in small- and medium-sized enterprises that fall in line with the state industrial policy, and produce good economic results and social benefits.

Collective enterprises in cities and towns should be given guidance and support so as to stimulate their healthy development. The low economic results of industrial enterprises are the crux causing the present various contradictions. All industrial departments and industrial enterprises should earnestly shift their work focus to improving their quality and economic results, should devote major efforts to strengthening enterprises' technical transformation, management, and operations, and should strive to make great progress in this respect. The state will increase loans for enterprises' technical transformation, and enterprises should use more funds at

their disposal for technical transformation, focussing on improving the quality of their products, reducing material consumption, increasing foreign exchange income through exports, and enhancing their ability to produce import substitutes. Strengthening enterprise management and operations will play an important role in and be of practical significance to tapping their production potential and improving their economic results.

It is necessary to exercise strict management over factories and to improve and perfect the fixed quota management system based on fixed personnel. Management over funds, factory buildings, and quality must fall in line with technical work as well as with rules and regulations. The working class is the main force in production and construction, and must be wholeheartedly relied on. It is necessary to exercise the system of three-in-one combination of cadres, technicians, and workers, to fully display collective wisdom and strength, to carry out more extensively and profoundly the campaign of increasing production and practicing economy, and of double increase and double economy, and to push enterprise management and operations to a new level.

Third, in the course of economic improvement and rectification and deepening reform, it is necessary to promote scientific and technological progress and to ensure the steady development of the educational cause.

We should overcome the present economic difficulties and bring about the prolonged stability and development of the national economy. We should attach great importance to and conscientiously promote scientific and technological progress. Rural scientific and technological work should focus on the introduction, appraisal, and popularization of advanced and practical scientific and technological achievements.

It is necessary to pay serious and close attention to the organizational implementation of the "Harvest" program in the future, to strengthen the research and exploration of major scientific and technological projects, and to ensure the development stamina of agriculture and the rural economy. In industrial production and construction, main efforts should be made to popularize scientific and technological achievements that are beneficial to the development of energy, communications, raw materials, basic industries, and basic facilities, and that play an important role in adjusting enterprises' traditional structure, reducing their material consumption, and improving their economic results. Large- and medium-sized enterprises as well as enterprise groups should establish and improve the technological development and management system led by the factory director, with the chief engineer assuming responsibility, and should enhance their technological development ability. Small enterprises as well as township and town enterprises should by various means form their own technological backing.

A good job must be done in implementing the high-tech development plan set by the "Torch" program. Scientific

research organs, higher learning institutions, military enterprises, and other units possessing the necessary resources should be encouraged to run scientific development enterprises and to produce high-tech products.

It is necessary to work out measures for tackling scientific and technological problems in the Seventh Five-Year Plan and measures for implementing the plan on high-tech research and development, to strengthen research into soft science, and to run well a number of key, high-tech development zones. Concern and support should be given to basic scientific research organs so as to ensure the steady development of exploitative scientific research. It is necessary to improve the natural scientific research fund system, to bring into full play the role of the patent system, to develop and perfect the technology market, and to deepen and improve scientific and technological structural reform.

This year the State Council will organize people in the relevant units in implementing China's medium- and long-term program on scientific and technological development [words indistinct] for the purpose of better developing China's science and technology.

The fundamental purpose of developing education is to improve the nation's quality and to train all kinds of talented people for socialist construction. This has far-reaching significance for promoting economic development as well as for consolidating and improving the socialist system. Therefore, all kinds of schools must earnestly correct the situation in which education is overlooked, must put into effect the policy of making education serve socialist construction, combining education with productive labor, and enabling the students to develop morally, intellectually, and physically, and must always put a firm and correct political orientation in first place.

Schools of higher learning must give their students education in Marxism-Leninism-Mao Zedong Thought, and in taking the socialist road, learning from the masses, and serving the people. They should conscientiously rectify their teaching order, strengthen the building of the contingent of teachers and staff members, and work out and implement detailed measures of students taking part in production, social practice, military training, and physical labor.

Governments at all levels, all relevant departments, enterprises, and other institutions should, with a positive attitude, support and welcome the students to take part in all forms of social practice, and create conditions and make good arrangements for them.

According to the students' ages, and in a manner proceeding from simple to difficult, middle and primary schools should systematically educate their students on patriotic, collective, socialist, and communist ideologies; intensify their education on the national situation and labor; continue to educate them on proper conduct; and extensively carry out activities of learning from Lai Ning.

This year, in connection with the commemoration of the 150th anniversary of the Opium War, we should educate the students on exposing the crimes committed by imperialists during their invasion against China, as well as the Chinese people's historical traditions of waging patriotic struggles against imperialism so as to heighten their vigilance against the imperialists' peaceful evolution strategy.

We should build a stronger contingent of teachers, and help the vast number of teachers heighten their ideological and political awareness and proficiency.

Governments at all levels should intensify their supervision over the way schools implement educational policies. Continual efforts must be made to improve basic education. Steady efforts should be made to promote the nine-year compulsory education, and positive measures should be taken to stop middle and primary students from studying [corrects himself] from dropping out of school. We should continue implementing the Prairie Fire Program so as to expedite comprehensive educational reform in the rural areas. The pace of restructuring the administration of vocational and technical education must be expedited so as to bring about a sound development of vocational and technical education. Efforts will also be made to upgrade adult education, focusing on improving the higher educational courses for adults. On the basis of improving their management, existing universities and colleges should speed up the restructuring of their education and deepen educational reform.

The broad masses of educational workers and schools of different types at various levels should all attach importance to studying the socialist ideological education, constantly improve educational methods, use modern techniques and teaching methods, and strive to raise quality in education.

People's governments at various levels and all departments concerned should strengthen their leadership over and do a good job in the job placement work for graduating students. Based on the principle of strengthening the front line and reinforcing the work force at the grass roots level, it is necessary to reasonably assign people to suitable jobs.

Sending students to study in foreign countries is a component part of the policy of opening to the outside world. From now on, we should, on the basis of our experiences, send students who have both ability and political integrity to study abroad according to needs. We should ensure quality and follow the principle of studying for the purpose of application, improve and perfect the work of sending students to study abroad, and strive to create necessary conditions for students' returning to work in China after the completion of their studies.

This year is an international year for eliminating illiteracy. We must strengthen our leadership over and further promote the work of wiping out illiteracy throughout the country. Under the situation in which the

state financial situation is quite difficult this year, the state has continued to increase funds for educational purposes. At the same time, we should fully arouse the enthusiasm of all fronts and encourage all forces in the society to help in running schools, strive to gather funds for educational purposes, and continue to improve conditions for running schools.

Whether in developing science and technology and educational work or in promoting socialist modernization in the entire country, we must give full play to the role of intellectuals. We already have a good contingent of intellectuals who adhere to the socialist road. Governments at various levels should seriously implement the policy of respecting knowledge and respecting capable people, and strive to create and improve necessary working and living conditions for them so that they can fully develop their due role.

At the same time, we also hope that the broad masses of intellectuals, especially those young intellectuals, will strengthen their study of Marxism-Leninism-Mao Zedong Thought; persist in integrating their work with social practice and integrating with the masses of workers and peasants; strive to become both socialist minded and vocationally proficient; and give fuller play to their wisdom, knowledge, and talent.

Fourth, it is necessary to continue the control of total social demand and strive to do a good job in financial and monetary work. This year, we must continue to check the growth of the increase of social demand, and adhere to the financial policy of tightening credit. The total scale of investments in fixed assets should, in general, be controlled at the level of the actual scale of last year. The State Planning Commission will formulate specific investment plans according to the state industrial policy and the different situations in various localities. We should, under the premise of curbing the total scale of investment, reasonably adjust investment structure and increase investment in agriculture, energy sources, communications, and other basic industries. We should continue to curb the building of processing industry of a general nature, and refrain from building new office buildings, auditoriums, and guest houses.

The limits of authority in examining and approving construction projects delegated by the central authorities to various provinces, autonomous regions, and municipalities directly under the central authorities will not be changed. However, it is necessary to appropriately concentrate the limits of authorities delegated to lower units by various provinces and municipalities. We should overcome the diverse and decentralized situation.

In order to firmly implement the state industrial policy, the State Council has decided to levy an adjustment tax for some investments, introduce interest-rate differentials for loans, and shift funds from general construction projects to key construction projects. The purpose of production is to satisfy people's material and cultural demands. However, raising the production level and

increasing consumption can only be achieved on the basis of the development of production. This year, we should continue to take measures to improve the situation of the previous years, in which the increase of demand for consumption exceeded the increase of the national income and labor productivity. We must continue to control institutional spending and take appropriate methods to control and supervise wages and bonuses for staff members and workers and other individual income. We should improve the system of examining and approving wage funds and the system of supervising payments by banks. We should further improve the method of linking the total amount of wages with the economic results of enterprises, strengthen the management and control of enterprises' available funds, and establish the system of having enterprises reserve funds for wages. While controlling the rapid increase of consumption demand, we should further alleviate the contradiction of unreasonable distribution of income in the society. We should continue to overcome equalitarianism on the one hand, and prevent and correct the situation of excessive gap between higher and lower income on the other.

Improvements have been made in rectifying the unfair distribution of social wealth since last year, thanks to efforts to straighten out and consolidate companies; promote clean government; strengthen tax management over self-employed people, private enterprises, and people earning high incomes; and mete out punishment and confiscate illegally earned incomes. However, problems have yet to be resolved. This year, governments at all levels should regard as an important task the effort to ease the unfair distribution of social wealth. They should effectively protect legally earned incomes, crack down on illegal gains, and restrain excessive earnings. It is necessary to further improve and strictly enforce the system of management over the incomes of all types of personnel, to continue to improve and strengthen tax collection and management, and to actively implement the system of filing personal income tax returns.

Implementation of the policy of allowing some people and localities to prosper first has played a tremendous role in smashing egalitarianism and promoting economic development. Practice has proved that this policy is correct. The policy should be upheld. It is now necessary to stress two points. One is to keep to the socialist orientation and persist in achieving affluence through hard work and legal means. The other is to encourage people and localities that have prospered before others to help those that have not yet flourished, in order to eventually achieve common prosperity. This practice is instrumental in easing the unfair distribution of social wealth. It is essential to publicize good examples and experiences in this respect, so that they will become established social practices.

Repayment of internal debts will reach a peak this year, and the amounts to be repaid on the principal and interest on foreign debts will increase. Other financial factors are expected to lead to increased expenditures

and reduced revenues. Both central and local authorities are expected to be more financially strapped than last year. One way to solve these financial problems is to expand revenues through all possible means, strengthen the collection and management of all types of taxes, sort out irrational tax reductions and exemptions, deal with arrears in tax payments, stop tax evasion, and overhaul all kinds of subsidies. The other is to cut various expenses arising from the overheated economy of the past several years. The key to doing this lies in streamlining government agencies and consolidating all types of organizations. All financial expenses must be disbursed in strict accordance with the budget. It is necessary to keep the financial deficit within the planned limits by raising productivity, practicing economy, increasing revenues, and cutting expenditures. Administrative units, institutions, and enterprises must practice economy. All localities, departments, and trades and industries must resist extravagance and waste, practice economy, and run all undertakings through diligence and thrift.

Banks, in line with the state's industrial and credit policies, must continue to control the scope of loans and issuance of currency, readjust loan structures, and make a careful review of last year's experience. Based on changes in the economic situation, we must make timely and appropriate adjustments, strengthen guidance in various fields, and ensure the proper issuance and management of loans. We must continue the preferential policies toward agricultural production, procurement of farm and sideline products and foreign trade goods, key construction projects, and key production projects. We must give top priority to loans for efficient large- and medium-sized key enterprises. We must carefully screen various loans, tap monetary resources, and accelerate the circulation of funds. We must continue the inflation-proof savings policy, and actively organize and attract savings from both urban and rural populations.

Fifth, we must step up pricing control, stabilize the domestic market, and take good care of the people's livelihood. Stabilizing commodity prices and markets is a major task in our effort to stabilize the lives of the people. This year, while continuing to rein in social demand, we must try to increase effective supply. We must continue our effort in the food basket project and step up the development of nonstaple food production centers. In particular, we must spare no effort to ensure the production and supply of meat, eggs, and vegetables in large- and medium-sized cities. We must further promote the production of industrial products for daily use, and small commodities that are vital to the livelihood of the people, and enrich and invigorate urban and rural markets. State-run commercial stores and supply and marketing cooperatives must play a role as the main channel and reservoir, ensure procurement of farm and sideline products, ensure purchase and sales of primary products, and promote commodity exchanges between localities. In particular, we must adopt diversified measures to open up rural markets and bring industrial products to rural areas. Commercial and supply and

marketing departments must continue to improve their operations, raise the quality of their services, correctly and actively direct consumption, increase sales of products, and promote production. Some collective and individual commercial stores will be allowed to run the wholesale business of certain small products in a bid to invigorate the market and promote commodity exchanges between urban and rural areas.

It is necessary to continuously take effective measures to practically strengthen control over market prices. While not relaxing our efforts to control prices in urban areas, we should gradually strengthen control over market prices in rural areas. As for the decontrolled prices of a small number of important commodities, restrictions should be continuously imposed on such prices, and hikes of these prices must be reported to higher authorities in advance. A basically stable policy should be adopted on the prices of daily necessities for the masses and on labor charges. The system of putting goods on sale with the prices clearly marked should be continuously practiced, and various fees and charges should be straightened out. Wanton charges and arbitrary price hikes must be resolutely checked. Price supervision and inspection should be strengthened, and the role of supervision by the masses and public opinion should be brought into full play. Governments at all levels should continue to implement the system of responsibility and targets for price control.

An important aspect in making adequate arrangements for the daily life of the people is to do work well among personnel of the enterprises whose production has been partially or wholly suspended. Vigorous efforts should be made to open up fields of production and service. It is necessary to organize surplus personnel of enterprises to carry out various activities, such as taking technical training, checking and repairing equipment, and taking an inventory of warehouses, and not to push them onto society. Personnel whose work has been suspended or who have been waiting for a job should be given an necessary guarantee for livelihood according to their individual cases. In rural areas, people should be organized to build water conservation facilities, plant trees, construct roads and bridges, and carry out agricultural construction of a developmental character. It is necessary to encourage and guide a sound development of individual and private economies according to state policy, and to give full play to their role in developing production, stimulating circulation, and increasing job opportunities. To reduce employment pressure, it is necessary to strictly control the agricultural population so that it will not turn into non-agricultural population.

Sixth, the stress of sublimation [shenghua] or perfection of economic restructuring is on the sublimation of enterprise reform and the improvement of the system of macroregulation and control. Improving the economic environment and straightening out the economic order on the one hand, and deepening reform on the other, complement each other, and their aims are to bring

about a steady, long-term development of the national economy. They must be combined well with each other.

To better carry on reform, it is necessary to reiterate the following several basic points:

The four cardinal principles are the foundation of the state, and reform and opening to the outside world are ways to make our country strong. The two basic points are indispensable. Reform is the self-improvement and development of the socialist system and is aimed at further bringing its superiority into full play. The reform of the economic system is mainly aimed at making the system suited to the development of a planned socialist commodity economy, and gradually instituting a management system of integrating planned economy with market regulation and a system of economic operation. At present, reform should serve the purposes of improving the economic environment and straightening out the economic order. Reform measures that have been adopted [as heard]. It is necessary to maintain the stability and continuity of policy, and to persist in the policy of stability, strengthening, readjustment, and improvement. At the same time, new reform experiments should be conducted vigorously and properly.

Accurately understanding and implementing the principle of integrating planned economy with market regulation is a key question in the sublimation or perfection of reform. It is necessary to further expound the following viewpoints on this question according to our practical experiences over many years and actual conditions at present:

First—China's socialist economy is a planned commodity economy based on public ownership. Planned economy and commodity economy are not mutually exclusive, they are the unity of two things. Combining the two can bring into play both the superiority of planned economy and the positive role of market regulation.

Second—planned economy and market regulation should be integrated organically. There are roughly three forms of integration:

- 1) Mandatory plans—although the implementation of such plans is mandatory, their formulation and implementation must also consider market supply and demand and be subject to the law of value.
- 2) Guidance plans—such plans have their restrictive power, providing various economic activities directions and objectives, and the realization of such plans depends primarily on economic policies and economic leverage.
- 3) Market regulation, which comes into effect through market supply and demand and price changes under the guidance and manifestation of the state's general plan.

Third—the actual application of the three forms mentioned above and their proportional relationship should be different on the basis of different ownership, different enterprises, different social production links and

spheres, and different industries and products. Moreover, they should be readjusted and improved at regular intervals in accordance with the actual situation at different times.

Fourth—in terms of macroscopic control, conscientious efforts should be made to achieve overall balance and coordination among major sectors. Economic, legal, and administrative measures should also be applied in regulating economic activities and in intensifying the analysis of economic information and forecast of economic activities.

Fifth—the fundamental criteria for examining the success or failure of the integration of planned economy and market regulation rest with whether it can bring about better economic results and a sustained, steady, and coordinated economic growth over an extended period of time. They do not rest with abstract principles or modes.

Based on the fundamental understanding learned from the actual experiences mentioned in the past, at present, and in the future, the production and circulation of goods essential for the national economy and people's livelihood should be controlled by mandatory plans; guidance plans and market regulation should be primarily applied on other mass-produced goods; and the size and the patterns of investment in fixed assets and major construction projects should be managed according to the decisions and plans of the central and local governments. Meanwhile, mechanisms of market competition should be applied in the use of investment, in the choice of construction designs, and in the management of construction. Major economic activities of the large- and medium-size state-owned enterprises should primarily be controlled by mandatory and guidance plans; collective economies in cities and rural areas should primarily be controlled by guidance plans and market regulation; and independent economies, private economies, and enterprises financed by foreign funds should be controlled by market regulation. By doing this, we can fundamentally change the old mechanisms which are excessive and too rigid, and achieve an initial unity of economic planning and flexibility. The integration of planned economy with market regulation is, of course, a very complex issue, and our experiences in this regard are quite inadequate, and so we must continue to explore and improve.

China's efforts in economic restructuring this year will be concentrated on continuing to deepen enterprise reform and on continuing to improve and develop the contracted managerial responsibility system for enterprises. It is necessary to analyze experience, promote the strong points, and eliminate the drawbacks so as to make the system function both as an encouraging and binding mechanism. The relationship among the state, enterprises and workers and between long-term and immediate interests must be correctly handled, and shortsightedness should be avoided in economic activities. It is necessary to properly set the contract periods and base

output quotas by considering the situations in the departments, trades, and localities, improving the content and the internal distribution system of contracts, and ensuring that state assets are preserved intact and grow in value.

Enterprises should, proceeding from national interests, take the initiative to make greater contributions to the state. Efforts should be made to carry out, on an experimental basis, the system of separating taxes and profits, making loan repayments, and settling contract obligations after taxes are deducted first. It is necessary to deepen reforms within enterprises, earnestly implement the enterprise law, and adhere to and improve the system under which factory directors assume full responsibility while giving full play to the role of the party organizations in enterprises in political and ideological leadership. The role of the workers' conference and trade unions should also be brought into play.

It is necessary to take advantage of the opportunity presented by the on-going economic improvement and rectification to further expand economic ties among enterprises and develop enterprise groups. The main purpose of developing enterprise groups is to upgrade the quality of enterprises, improve their economic efficiency, and enhance their capacity for development. Efforts should be made to press for, in one form or another, the optimum organization of major production factors and to promote the structural reform of enterprises. While deepening enterprise reform, active efforts should be made to establish, improve, and strengthen the system of macroeconomic regulation and control, and to improve management systems for planning, circulation, finance, taxation, and banking in order to meet the requirements of the on-going economic improvement and rectification. In planning, we should strengthen the overall balancing and appropriately readjust the scope of mandatory plans, improve the management of mandatory plans, perfect the methods for implementing guidance plans, and improve the general guidance of market-regulated production and circulation. With regard to management of materials, it is necessary to appropriately increase the proportion of key materials subject to a unified state distribution. We should set aside a portion of major materials produced by enterprises which have been selling sluggishly to be marketed reversely [dao xiang xiao shou] by the state. Further efforts should be made to enliven the circulation of materials and to develop a capital goods market under the guidance of state plans.

In the monetary structure, it is necessary to strengthen the central bank as the overall regulator and to enhance the leadership over and management of specialized banks. Specialized banks must strictly implement the state's industrial policy and credit plans, rationally set up monetary organizations, and redress irrational overlapping in the business of all types of banking organization. It is also necessary to bring into play the role of interest

rates as leverage to regulate the demands and flow of funds and to further improve and strengthen funds management.

In the financial structure, while continuing to implement the revenue-sharing system, we should, on the merit of the case, appropriately increase the revenues submitted to the state by localities and appropriately reduce the central authorities' subsidies to localities in accordance with the principle of proper concentration of financial resources. In localities where conditions permit, active efforts should be made to try out a system of tax distribution, and to improve the tax collection system in line with principle of centralizing taxation authority as well as in unifying the taxation law and different levels holding different responsibilities. Further efforts should be made to strengthen both the auditing, statistics, pricing, industrial and commercial administrative and economic information departments and to bring into play their role in macroeconomic regulation and control. We should explore and establish, step by step, a comprehensive system of macroeconomic regulation and control composed of economic, administrative, and legal measures that are based mainly on state plans. We should pay close attention to drafting such basic economic laws and regulations as a planning law, an investment law, a budget law, a banking law and a price law, and to submit them to the NPC for examination.

This year we should consider checking and straightening out companies as an important step in rectifying the economy and continue to grasp this work well. We should implement the plan for dissolving, merging or retaining companies strictly in accordance with the standards set by the state. We should properly deal with the aftermath of dissolving companies, protect state properties from being damaged, step up the enactment of the draft corporation law, strengthen the building of corporation system, standardize the activities of corporations, continue to strictly check and handle cases in violation of laws and discipline.

This year we should lay stress on reducing the confusion in the coal market. We should make significant progress in improving the coal market. Beginning this year, of all the coal produced by state coal mines for unified distribution, part of the coal delivered to the state by various localities and coal produced in excess of state plan and transported through railways should be distributed, ordered, transported and managed in a unified way. Important means of production outside the state plan should be marketed in an open manner, and specific measures for this will be announced.

This year, we will carry out some important reforms at selected places, including the further development of cities with independent economic decision-making authorities and comprehensive reform in some other cities. We will deepen the comprehensive experiments in carrying out reform and the open policy in Guangdong, Fujian and Hainan Provinces, continue to carry out

reform at selected counties, and actively and properly carry out the reform of the housing system and the social security system.

Seventh, it is necessary to persist in opening to the outside world and actively expand foreign trade and economic and technological exchanges.

Our country has repeatedly stated that regardless of changes in the world, we will not close the open door again. At present, we should grasp all favorable conditions in the world, overcome the temporary difficulties, and carry out the open policy in a more solid and effective way. Actively expanding exports is the foundation for a sustained development of foreign trade. In addition to developing the export of traditional products, we should further adjust the structure of commodities for export and strive to expand the export of light industry products, textile products, machinery and electric appliances and other industrial products, intensified processing products, and high-technology products. Besides, we should actively increase the export of agricultural products to earn foreign exchange. We should adhere to and further improve policies and measures for encouraging exports. We should actively support key enterprises and products in allocating funds, loans, energy sources, and raw materials as well as in setting quotas. Enterprises which produce items for export and the foreign trade department must adapt themselves to the changes in the international market, renew designs and specifications, raise the quality of products, improve packing of products, promote sales, improve services, and strictly abide by the contracts.

While making great efforts to expand exports in foreign trade, we should reasonably adjust imports. We should concentrate the use of the precious foreign exchange in importing important equipment, facilities and supplies which are needed for key projects. We should adopt measures to produce all raw materials, machinery and electric appliances which can be produced at home and strive to import less of those items or stop their import altogether. We should strictly limit the import of luxury items and expensive consumer goods. We should also control the import of general machinery and electric appliances and supplies. Various regions and departments should actively develop industries which can replace imports, step up the process of producing more items at home, and strengthen the capability of self-reliance.

While stabilizing the contract responsibility system for foreign trade, we should properly adjust and improve the system in line with the requirement of improving the economic environment and rectifying the economic order.

We should continue to improve order in foreign trade and, at the same time, adopt appropriate measures to change the situation by which foreign exchange reserves are not used in a more concentrated manner. We should continue to actively use foreign capital and import

advanced technology, further improve the investment environment, faithfully implement the law and statutes concerning foreign nationals and firms, concentrate our efforts to successfully operate the existing Sino-foreign joint ventures and cooperative enterprises, and give full play to their demonstrative role.

Absorbing direct investment by foreign businessmen will be the main thing in using foreign capital in the future. Regarding new investments by foreign businessmen, we should guide them in accordance with the state industrial policy, properly utilize the foreign capital, encourage more investments for the technological transformation of existing joint ventures and cooperatives, and boost the technological progress of China's traditional industries and rejuvenate and upgrade our products. We should also continue to sign contracts with foreign firms for construction projects or labor services.

China has now accumulated a foreign debt of more than \$4 billion. Although China is fully capable of repaying it, we must earnestly control the borrowing, usage, and repayment of foreign debts so that the use of foreign debts will not be out of control. We must also make sure that the money is spent on the most essential construction projects of the state.

We should make continual efforts to stabilize and improve the basic policies and measures governing special economic zones and coastal, open regions, continue to properly manage our special economic zones and the economic and technical development districts in open cities, and encourage the development of export-oriented economy so that our special economic zones will play a more effective role in being the showcases and bases of our open policy.

We should continue with the construction of our socialist democracy and legal system, and consolidate and develop political stability and unity. As our economy and reform continue to develop and deepen, we must intensify the construction of our socialist democratic and legal systems and, in a well-guided and systematic manner, expedite the restructuring of our political system and consolidate and develop political stability and unity. Governments at all levels must make positive efforts to support and coordinate the endeavor.

We should continue to improve the people's congress system in China and the CPC-led multiparty cooperation and political consultation system. We should establish and improve the procedures and the system governing democratic decisionmaking and supervision. This is the main aspect in restructuring the political system in China. Governments at all levels must voluntarily accept the supervision and inspection from people's congresses and their standing committees; make active efforts to strengthen ties with people's political consultative organs, members of democratic parties, patriots without party affiliations, and mass organizations; and create for them the necessary environment in which they can get involved with political affairs, discuss political affairs,

and provide democratic supervision. We should give great importance to their views and suggestions so that the consultative system and democratic decisionmaking procedures can be regularized, standardized, and institutionalized.

During the process of expediting our socialist democratic construction, we must draw a line to distinguish socialist democracy from capitalist democracy. The small number of proponents of bourgeois liberalization in China are calling for political diversification and a multiparty system. Their real intention is to exclude the vast number of people from our democratic system, discredit the leading role played by the CPC, and replace our socialist people's republic with a bourgeois republic. We must make an all-out effort to guard against these ideas and firmly resist their inroads and inundation.

Socialist democracy must be ensured by a socialist system. Presently, China's socialist legal system—based on the Constitution—has begun to take shape, and great changes have taken place in areas where there were no laws to be followed for our state's political, economic, and social life. This year, governments at all levels must step up drawing up some draft laws, statutes, and rules and regulations relevant to improving the economic environment, rectifying the economic order, and deepening reform.

We should make continual efforts to popularize legal knowledge in order to heighten the people's concept of law, continue to strengthen and improve our judicial supervisory system and procuratorial system, and firmly correct the phenomena that laws are not followed and not strictly enforced. The PRC Administrative Litigation Law will become effective on 1 April this year. This will be an important event in the development of China's legal system and an important step in our socialist democratic construction. All departments under the State Council and all local governments must earnestly study the Administrative Litigation Law, be well prepared for its implementation, and make positive efforts to coordinate the operation of people's courts.

Although class struggle no longer constitutes the principal contradiction in Chinese society, it will continue to exist within certain limits for a long time to come and may even sharpen under certain conditions. While making vigorous efforts to develop socialist democracy and the socialist legal system, we must strengthen the functions of dictatorship of state apparatus. Judicial, procuratorial, and public security organs should fully fulfill their duties; maintain high vigilance against and promptly smash the infiltration and subversion of hostile forces from abroad or from outside the country; deal blows to the sabotage activities by hostile elements at home; and, according to law, resolutely crack down criminals who seriously jeopardize social stability. They should severely punish criminals undermining the economy and strengthen their control over public order. It is necessary, with a definite object in view, to carry out a struggle to crack down on criminals and strengthen

public order in big and medium cities, areas along trunk railways, and open coastal areas. Governments at all levels should strengthen their leadership over public security work and do a good job in the building of the armed police force and public security cadres and police. Judicial administrative organs should do a better job in reform and reeducation through labor and provide legal service for stabilizing the political situation and the economy. Governments at all levels should make full use of favorable conditions and adopt effective measures to strengthen the building of organs of state power at the basic level in urban and rural areas.

Stability and unity in the country as a whole cannot be separated from the harmonious relations of nationalities and the stability of autonomous nationality regions. Governments at all levels should continue to unswervingly implement the CPC policy toward nationalities, uphold national equality and unity, and respect the freedom of religious belief and customs and habits of all nationalities. Vigorous efforts should be made to develop economic and cultural undertakings in all autonomous nationality regions and promote the common prosperity of all nationalities. It is necessary to conscientiously implement the Law of the People's Republic of China on Regional National Autonomy, vigorously train minority nationality cadres and various types of professionals according to actual conditions in minority nationality regions, resolutely uphold the unification of the motherland and the great unity of all nationalities, and firmly oppose any acts splitting the country and the Chinese nation.

The Chinese People's Liberation Army is the solid pillar of the people's democratic dictatorship of our country. Governments at all levels should further concern themselves with various construction and reform projects in Army units and vigorously take the initiative in helping them solve practical problems. In the light of the characteristics of the new period, it is necessary to continuously enrich and develop the content and form of activities in supporting the Army and giving preferential treatment to the families of revolutionary soldiers and martyrs and in supporting the government and cherishing the people in order to strengthen Army-people and Army-government unity. Efforts should be made to learn from the fine moral character and glorious tradition of the Liberation Army. Education in national defense should be carried out extensively in society as a whole in order to foster the concept of being prepared for danger in times of peace and to strengthen the people's sense of national defense. At the same time, it is essential to further strengthen national-defense construction and the strength of national defense and to promote a steady development of national-defense modernization.

Ninth [number as heard], conscientious efforts should be made to strengthen the building of socialist spiritual civilization to promote all-round progress in our society as a whole. We must conscientiously learn from the profound lessons in which we ignored the building of socialist spiritual civilization in the past few years. In

light of economic construction and the actual conditions in reform and opening to the outside world, we should vigorously strengthen and improve ideological and political work. Extensive education should be carried out among the people throughout the country, especially among the young people, in upholding the four cardinal principles and opposing bourgeois liberalization. It is necessary to conduct extensive education in patriotism, collectivism, socialism, communism, self-reliance, and hard struggle as well as in revolutionary traditions and professional ethics; vigorously promote the spirit of taking the interests of the whole into account and being brave in making contributions; and energetically improve the quality of the whole nation by training new socialist well-disciplined people with lofty ideals, morality, and culture.

The spirit of Lei Feng typifies both the traditional virtues of the Chinese nation and the brilliant ideology of communism. The campaign to emulate Lei Feng, revived lately throughout the country, has initially achieved good social results. We must earnestly review and commend advanced collectives and individuals on all fronts for their efforts in emulating Lei Feng, and publicize and disseminate their advanced deeds. We must further promote the emulate-Lei-Feng activities, which constitute a major component of the effort to develop a socialist spiritual civilization, in an extensive, solid, thorough, and sustained manner. We must use Marxism-Leninism-Mao Zedong Thought to occupy ideological positions. Theoretical, literature, art, publication, film, and television departments must adhere to the principle of serving socialism and the people, implement the policy of letting a hundred flowers blossom and a hundred schools of thought contend, spare no effort in promoting the excellent culture of the Chinese nation, and actively make use of foreign culture that is useful to us. The ideological sector must stress the efforts to consolidate as well as to promote a flourishing cultural life. We must constantly resist and criticize the views of bourgeois liberalization that have been prevalent in recent years; Western capitalist concepts of philosophy, politics, journalism, literature, and art; and national and historical nihilism. We must carry on the antipornography campaign and the drive against six vices on a thorough and sustained basis, and purify the social environment. We must arouse the initiative of theoretical propagandists, writers, and artists to immerse themselves in life and mingle with the people with a view to producing more and better nourishment for the mind, enriching and livening up the ideological and cultural lives of the people, continuously meeting the diverse needs of society, and creating opinions and a cultural environment conducive to stabilizing the overall situation.

We must actively promote sports and health care undertakings. The 11th Asian Games will be held in China this year. The whole nation must care for and support the event and strive for its success. All athletes and coaches

must exercise teamwork, display a fighting spirit, engage in rigorous training, and strive for excellent scores to win honor for the nation.

The healthcare front must further reforms, step up its efforts to improve professional practices and ethics, and carry on Dr. Norman Bethune's devotion to work, constant quest for proficiency, and dedication to the people. We must place an emphasis on preventive healthcare and rural medical work, promote the prevention and treatment of major diseases, and further improve the sanitary situation in both urban and rural areas.

Tenth, we must continue to promote family planning, strictly control the illegal use of farmland, and strengthen environmental protection work. Population growth control, preservation of farmland, and protection of the ecological environment are vital to the overall economic and social development in China and to the well-being of future generations. Last year, we achieved some results in population growth control, thanks to the hard work of family planning workers. However, we must also be aware that our country's population still poses a very serious problem. In the early 1990's, China will experience its third peak of population growth since its founding. We must unswervingly stabilize the existing birth control policies and ensure that these policies are really implemented at the grassroots level. We must continue to carry out the practice of managing birth control targets. We must focus our family planning work on rural areas. We must further establish and improve the network of birth control service at county, township, and village levels, step up the propagation and education of birth control, promote eugenics, and improve maternal and child care as well as the care and insurance for senior citizens. We must pay attention to the management of birth control among the nomadic population. Governments at all levels must step up leadership over birth control work, and concentrate on formulating birth control laws. The fourth national census will be conducted this year. Governments at all levels, as well as departments concerned, must step up leadership and closely coordinate with each other to ensure the success of this census.

In resolutely remedying the practices of randomly occupying arable land and of wasting land, all localities must strictly implement the state plan of allotting land for construction purposes. They must carefully review and approve land for construction purposes in order to avoid or minimize the occupation of arable land. They must effectively manage and utilize land development funds and spare no efforts in developing new farmland. In the future, all localities must, in principle, undertake the responsibility of developing land if arable land is appropriated for construction purposes. They must combine land use with land development. In addition to developing and utilizing large tracts of wasteland and beaches, they must pay attention to reclaiming scattered plots of unutilized land and land idled by industrial and mining enterprises.

In improving the economic environment and straightening out the economic order, efforts must be made to promote environmental protection. This year, it is necessary to emphasize efforts to comprehensively improve the environment of urban areas, to continue to prevent pollution by enterprises, and to make overall use of the three wastes [waste gas, waste water, and waste residues]. It is essential to mobilize all sectors of society to launch extensive tree-planting and afforestation activities in a bid to green the motherland and protect and improve the economy. Governments at all levels must firmly implement the laws and regulations on environmental protection, and must strive to accomplish the goals and tasks in this regard.

In order to accomplish the above tasks, all deputies and governments at all levels must expend greater efforts to continue to build a clean and honest government, forge close ties with the masses, and effectively improve the work style of organizations. This is an extremely important endeavor, which must be tackled year after year and over the long term. The following tasks must be primarily dealt with in promoting clean government this year:

First—it is necessary to set up a task force to make a serious comprehensive review of the implementation of various regulations and measures adopted last year by the CPC Central Committee, the State Council, and all localities and departments, and to publish the results of implementation for public evaluation and supervision. It is essential to set deadlines for the implementation of regulations and measures that were not put into practice, and to investigate and seriously deal with continuing violations of those regulations and measures.

Second—it is necessary to institute and implement a system of keeping track of the personal incomes of leading cadres and employees at all levels, as well as regulations governing the acceptance of gifts in dealing with domestic and foreign contacts. Further efforts must be made to launch an in-depth struggle against corruption and bribery.

Third—it is necessary to further set specific provisions for the standards of housing of leading cadres and employees at all levels, and to effectively correct and stop the practices of occupying several houses simultaneously, decorating houses above set standards, and building private homes in violation of the law and discipline.

Fourth—it is essential to vigorously and resolutely rectify the malpractices of departments and industries. In particular, it is necessary to intensify the crackdown on violations of the law and discipline by law-enforcing and supervisory departments. In order to promote clean government, it is essential to continue to focus on investigating and dealing with major cases, to intensify the struggle against corruption, and to release without delay the results of investigating such cases.

Emphasis must be laid on investigating and dealing with three types of cases this year. 1) Cases involving the

abuse of authority by leading organs, leading cadres, and law-enforcing and departments and their personnel to strike a deal between power and money and to obtain illegal incomes by hook or by crook, such as bribe-taking, speculation and profiteering, abuse of power for personal gain, extortion, and extravagance and waste. 2) Notorious cases that have aroused strong indignation in society and public concern, such as decorating houses above set standards and at public expense, building private homes in violation of the law and discipline by abusing power, traveling at public expense, and wining and dining. 3) Cases involving bureaucratism, dereliction of duty, and violations of the law and discipline, such as going one's own way in disregard of orders and prohibitions, that must be investigated and dealt with severely. Employees, especially leading cadres, of governments at all levels must adhere to the goal of wholeheartedly serving the people, uphold the mass line, and truly improve their thinking and work style.

In the last few months, central and local party and government organs have sent out large numbers of cadres to the grass-roots units, where they have been welcomed by local cadres and masses. Beginning this year, government organs at and above the county level must organize and send their cadres to grass-roots units and do so as an established practice on a long-term basis. The primary tasks of the cadres going down to the grassroots at present are to listen to the views, proposals, and criticisms of the masses; realistically answer questions on issues of concern to the masses; publicize the principles and policies of the party and the government; conduct education in the domestic and international situation; and together with the grass-roots cadres and masses, find ways to resolve difficulties encountered in their production, work, and life.

All office cadres sent to the grass-roots units must strictly observe party and state discipline; be modest; discard bureaucratic airs; and truly make friends with workers, peasants, intellectuals, and students. They should travel without too much fanfare; pay attention to actual results; refrain from creating burden on local or grass-roots units; and do some physical labor.

The State Council and local governments at various levels must foster an industrious and thrifty style of work; avoid empty talk; seek high efficiency; behave modestly; take lead in working hard and living a plain life; heighten their sense of responsibility; take further steps to simplify red tape; and reduce the number of meetings in order to extricate themselves from paper shuffling and frequent meetings. They must consciously overcome and firmly oppose actions and tendencies of decentralism, and strengthen centralized unity and organizational discipline.

In the face of the current complicated situation and arduous tasks, leading cadres at various levels and all government functionaries must strengthen their theoretical study; make the study of Marxism-Leninism-Mao Zedong Thought and the works of Comrade Deng

Xiaoping their important daily agenda; establish a study style of combining theory with practice; strive to use Marxist stand, viewpoint, and methods to understand and analyze the situation; and solve problems in their actual work.

Deputies, the great cause of the motherland's reunification made major progress in the 1980's. Through the Sino-British and Sino-Portuguese talks, a Sino-British joint declaration on the Hong Kong issue and a Sino-Portuguese joint declaration on the Macao issue were signed successively. These affirm that China will resume the exercise of its sovereignty over Hong Kong and Macao. In the next 10 years, China will accomplish the recovery of Hong Kong and Macao, a historical mission of major significance. [applause]

Since Hong Kong and Macao entered the transitional period, the Chinese Government has cooperated successfully with the British and Portuguese Governments in implementing the Sino-British and Sino-Portuguese joint declarations, respectively. The Chinese Government takes a positive and serious attitude toward the Sino-British and Sino-Portuguese joint declarations. It will consistently abide by the two declarations and perform its obligations. All the policies relating to Hong Kong and Macao formulated by the Chinese Government in accordance with the principle of one country, two systems will remain unchanged.

We are glad to see that the drafting of the Hong Kong Basic Law, a historic legal document, has already been completed and that it will be presented to this NPC session for examination and approval. Its enactment will provide a major guarantee for Hong Kong's long-term stability and prosperity.

All Chinese, both in China's mainland and in the Hong Kong and Macao areas, should respect each other and live in harmony. They should respect each other's social systems and way of life. As Chinese citizens, compatriots in Hong Kong and Macao enjoy the right to participate in the administration of state affairs within the framework of the law. However, in doing so, they should respect the socialist system on the mainland and observe the State Constitution and laws. We must guard against a handful of persons with ulterior motives who attempt to use Hong Kong and Macao as bases for overthrowing the central government and the socialist system. In order to maintain the stability and prosperity of Hong Kong and Macao and to achieve a smooth transfer of political power, it is hoped that the British and Portuguese Governments will continue to cooperate with the Chinese Government.

In the past decade, major changes have also taken place in the Taiwan Strait situation. Relations between the two sides of the strait, going from tension and confrontation to gradual relaxation, from long-standing seclusion to mutual contact, are advancing in a direction favorable to the country's reunification. This conforms to the trend of the times and accords with the fundamental interests of

the Chinese nation. It is also the common wish of the people on both sides of the strait.

However, we should also realize that many man-made estrangements in relations between the two sides of the strait have not been rooted out, and obstacles hindering the reunification of the motherland have not been removed. Although the Taiwan authorities have relaxed their policies with regard to the mainland to some extent, their actions are a far cry from the wishes and demands of people on both sides of the strait. The Taiwan authorities are still clinging to the three no's policy of no contact, no talks, and no compromise and sticking to the stubborn anticommunist position against peace talks. In addition, internationally they continue to pursue flexible diplomacy and dual recognition and engage in acts promoting one China, one Taiwan, and two Chinas. What is particularly noteworthy is that in the recent period some people with ulterior motives whipped up an adverse current agitating for Taiwan's independence, openly trying to split Taiwan from the motherland. This is bound to be firmly opposed by all the Chinese people, and the Chinese Government will on no account sit by idly and remain indifferent, either. [applause]

The 1990's is an important historical period for advancing the great cause of peaceful reunification of the motherland and revitalization of the Chinese nation. We will adhere unswervingly to the policies of peaceful reunification and one country, two systems and augment and improve our policies toward Taiwan. To attain the motherland's reunification, we place our hopes on the Taiwan authorities and, even more, on the Taiwan people. We express concern over the current turbulent political situation in Taiwan.

We are willing to cement ties and exchange views with the various parties, organizations, and far-sighted people of all circles in Taiwan and discuss the country's reunification and promote contacts and exchanges between the two sides of the strait in economic, cultural, scientific, technological, sports, and other fields.

We encourage entrepreneurs from Taiwan to invest, run wholly owned enterprises, joint ventures, or cooperative enterprises, or develop whole regions on the mainland, so as to jointly expand the export-oriented economy.

The Taiwan authorities should make further changes in their policies restricting investment on the mainland. We are ready to provide Taiwan investors with a good investment climate and preferences.

We will continue to implement the established Overseas Chinese affairs policy and we wholeheartedly hope the vast number of returned Overseas Chinese, family members of Overseas Chinese, and countrymen living overseas will continue to play their important roles in promoting China's modernization and the great cause of peaceful reunification.

III. International Situation and Foreign Affairs:

Significant changes are now taking place in the world. Relations between the United States and the Soviet Union, between the two major blocs—the East and the West—and between countries within the two major blocs, are changing. The issue of German reunification has been placed on the agenda. Europe is undergoing significant changes. Various forces in the world are now undergoing another polarization and reorganization process amid complicated contradictions of interests. The world has become even more tumultuous and chaotic. While the United States and the Soviet Union can no longer influence world affairs as before because of the developing trend of polarization in the world, U.S.-Soviet relations remain an important factor influencing the international situation. The military confrontation between the United States and the USSR continues to weaken, and their disarmament talks are continuing.

During the past year, relevant parties have been making continuous efforts to seek political settlement of regional conflicts. The success achieved in Southwest Africa is even more conspicuous. We believe that, because of the combined efforts exerted by people of various countries, world peace can be safeguarded, and a relatively long peaceful environment in the world is possible. But we must also realize that threats to world peace still exist. The arms race between the two superpowers continues. Many regional conflicts have not yet ceased, and certain big powers are still willfully interfering in other countries' internal affairs in violation of the norms governing international relations. The economic differences between developed countries and the developing countries are still widening, and North-South contradictions are deepening. Without doubt, this is unfavorable for international stability. What is particularly noteworthy at present is the increasingly apparent intention of some countries to push their power politics. As long as hegemonism and power politics have not retreated from the international stage, the world will not have peace. In the face of these problems, an important issue confronting people all over is how to bring about an international situation that will continue in the direction of peace and development.

The Chinese Government always stands for maintaining and developing normal relations with all countries on the basis of the five principles for peaceful coexistence—mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in internal affairs, equality, and reciprocity. Under the current changeable international situation, we will continue to uphold this principled stand. Over the past year we have improved and strengthened our relations with many countries, especially our neighbors. Our friendship with the Democratic People's Republic of Korea is more consolidated than ever. We support the DPRK Government's proposals for achieving independent and peaceful reunification of the fatherland and hope that all parties concerned will strive to preserve the relaxation and stability of the situation in the Korean peninsula.

Our relations with such South Asian countries as Pakistan, Bangladesh, Nepal, and Sri Lanka are satisfactory. Our relations with India are improving, and we have normalized our ties with the People's Republic of Mongolia and Laos. Our good relationship with ASEAN countries is playing an extremely important role in maintaining peace and stability in Southeast Asia. We have had fruitful talks with Indonesia and the normalization of our two countries' relations is approaching. Our unity and cooperation with Arab, African, and Latin American countries have made new headway. Facts fully prove that our friendship with the vast number of Third World countries can withstand the tests of storms.

Since the normalization of relations between China and the Soviet Union last May, the two sides have expanded contacts in all fields in accordance with the principle on developing bilateral relations as agreed upon at the summit and in accordance with the various agreements. Border talks are being held. Progress has also been made in the talks held by teams of diplomatic and military experts. Developing good-neighborly relations between China and the Soviet Union on the basis of the five principles of peaceful coexistence accords with the interest of the peoples of both countries and is also conducive to peace in Asia and the world.

The Chinese people have maintained traditional friendship with the people of East European countries. As a socialist country, we naturally are extremely concerned with the drastic changes in the political situation in East Europe. However, in handling state relations with other countries, China has never interfered in their internal affairs. We are willing to maintain normal friendly ties with East European countries on the basis of the five principles of peaceful coexistence.

China understands the wish of the people of Germany for German reunification, and favors a solution to this question that will not only benefit the people and the states of the two Germanies, but also be conducive to peace and stability in Europe and the world.

Since last June, China has encountered difficulties in varying degrees and twists in its relations with the United States and some other Western countries, because of the Western countries' sanctions against China. They have exerted pressure on China in various aspects and have interfered in China's domestic affairs. Facts over the past several months have enabled the whole world to once again realize that the PRC will by no means yield to foreign pressure and that any attempt to isolate China cannot succeed. Normal relations between states should be on equal footing and mutually beneficial.

At the present time, as some Western countries have recognized the importance of resuming and maintaining normal relations with China, there has been an improvement in their relations with China. We hope that such a trend will continue. China is willing to make its efforts.

In the past decade since the establishment of diplomatic relations between China and the United States, bilateral relations have developed on the basis of the three communiques signed between our two countries. In the future, only by abiding by the principles defined in the three communiques, especially the principles of noninterference in each other's internal affairs and of not seeking hegemony, can Sino-U.S. relations be resumed and developed.

China and Japan are close neighbors. The people of the two countries have a longstanding history of friendship. The Chinese Government has always attached a great importance to developing friendly and cooperative relations with Japan. We hope that the Japanese Government will, together with the Chinese Government, continue to observe the various principles in the Sino-Japanese Joint Statement and the Sino-Japanese Peace and Friendship Treaty in striving to normalize the friendly and cooperative relations between the two countries as soon as possible and to further expand such relations.

The Chinese Government has always advocated fair and reasonable settlement of regional conflicts through political means. With regard to the Cambodian question, we believe that Vietnam's complete troop withdrawal under effective international supervision and establishment of a provisional quadripartite coalition government headed by Prince Norodom Sihanouk are a guarantee for peace in Cambodia. We appreciate and endorse the United Nations' initiative in solving the Cambodian question. We welcome any proposals that can lead to a fair, reasonable, and complete solution of the Cambodian question. We believe that all proposals on settling the Cambodian issue should be submitted to Prince Sihanouk for his opinion, which should be respected, and should have the consent of all factions in Cambodia. Only in this way will it be possible to ensure the proposals are fully implemented.

We always sympathize with and support African countries and people in their just struggle for national independence and against racism. The independence of Namibia marks the accomplishment of the historical mission of decolonizing the African Continent, for which we would like to extend our cordial congratulations. The South African authorities should yield to historical trends and take further measures to abolish apartheid completely.

We are concerned about the peace process in Central America and hope the United States will respect the sovereignty of the Central American states. We strongly condemn the U.S. invasion of Panama and do not wish to see the recurrence of such an event.

We demand that Israel stop its suppression of Palestinian inhabitants and withdraw from the occupied Arab territories. We hope that the Middle East question will be settled by political means, and in a fair and reasonable manner, so that the Middle East will be transformed

from a region long plagued by turbulence to a peaceful one. We also sincerely hope that Iran and Iraq, proceeding from the acceptance of UN Security Council Resolution 598, will, through direct contact and negotiations, advance from cease-fire to lasting peace.

The disarmament issue has a direct bearing on world peace. To stop the arms race and achieve effective disarmament remains an arduous task. We hope that the United States and the Soviet Union will cease all forms of arms race, fulfill their disarmament duties, and take the lead in drastically reducing their nuclear and conventional arsenals. We hope that the United States and the Soviet Union, as the biggest possessors of chemical weapons, will stop producing chemical weapons and destroy existing stocks. We also hope that the Geneva conference on disarmament will make progress in concluding an international convention on complete prohibition of chemical weapons.

China's reasonable stand on disarmament has received extensive endorsement in the international community. We are ready to join all countries in ensuring that the cause of international disarmament follows the correct path.

In recent years, the United Nations has done a lot of remarkable work and has scored praiseworthy achievements in promoting political solutions to regional conflicts, in maintaining world peace, in promoting economic and social development, and in other areas. Along with other member nations, China is willing to continuously make efforts in enhancing the functions of the United Nations in international affairs.

The rapidly changing international situation has further brought before the world the issue of establishing a new international political order. The Chinese Government has consistently held that all countries in the world, whether they are big or small, strong or weak, whether they are different in social systems, should respect each other, treat each other equally, seek common grounds while reserving differences, develop friendly cooperation, and promote common prosperity. Any attempt to use political, economic, and cultural means to impose ideology, value concepts, and even social system on others will, in the final analysis, get nowhere. The Chinese Government holds that the reasonable foundation for establishing a new international political order is the five principles of peaceful coexistence which have already been generally accepted by international society. International events repeatedly show that no matter how great the differences in national conditions and no matter how complex the conditions of international conflicts, normal friendly and cooperative relations can be established and developed and reasonable solutions can be found if all countries follow the five principles to the letter. We believe that the establishment of a new international political order on the basis of the five principles of peaceful coexistence is in the interest of all countries as well in accord with the common wish of the peoples in the world.

Developing countries are cruelly exploited and plundered by unreasonable international economic relations and unequal exchanges. Heavy debt burden hampers the economic development of developing countries. In today's world, wealthy nations have become wealthier and poor countries have become poorer; the situation has become more serious day after day. Many people are still struggling to stave off starvation. It is a major issue requiring the world's urgent attention and solution. China supports efforts made by developing countries and the nonaligned movement on establishing a new international order. China also hopes that developed countries would adopt a positive attitude to shoulder their obligations and responsibilities. Diplomatic events in recent years further proved the correctness of the independent and peaceful diplomatic policy which we have pursued. Our government will continuously implement this policy, firmly oppose hegemonism, and maintain world peace. We will strengthen unity and cooperation with the Third World countries, play a constructive role in international affairs, and will make unremitting efforts in helping solve major issues in the world. We will continuously persist in establishing and developing friendly relationship with all countries on the basis of the five principles of peaceful coexistence. We shall not interfere in the internal affairs of other countries or allow any country to interfere in ours. [applause] Foreign forces hostile to China that engage in subversive activities are bound to fall. Come what may in the world, socialist China will stand rock firm in the East. [applause]

Deputies, the road of history is tortuous. The future of the world is bright. Our country has bright hopes. The tide of human progress is unstoppable. With hard work, in a great spirit, and with full confidence, the great Chinese people enter the 1990s and forge ahead along the socialist road. [applause]

Editorial Report on TV Coverage

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[Editorial report] Beijing Television Service in Mandarin at 0055 GMT on 20 March carries live coverage of the opening of the Third Session of the Seventh National People's Congress [NPC]. Coverage begins with a caption saying that this is "live coverage of the opening ceremony of the Third Session of the Seventh NPC." It then cuts to show a big red and golden NPC logo, hung at the center of the curtain at the back of the rostrum and flanked by five red flags on each side, backing up slowly to show a long shot of the rostrum. A red and white banner reading the "Third Session of the Seventh NPC of the PRC" is seen hung across the meeting hall atop the edge of the rostrum. As the announcer explains the functions of the NPC and reviews its work since the First Session of the Seventh NPC, video pans the entire meeting hall, with occasional medium-range shots showing most deputies seated, some walking, and reporters—including some Caucasians—carrying cameras and standing in front of the rostrum.

At 0100 GMT, a long shot shows Wan Li walking to the rostrum, immediately followed by Jiang Zemin, Li Peng and other leaders. According to the announcer, "the executive chairmen of today's session are the permanent chairmen of the Presidium. They are Wan Li, Xi Zhongxun, Peng Chong, Ngapoi Ngawang Jigme, Seypindin Aizezi, Yan Jici, Ye Fei, Liao Hansheng, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, and Wang Hanbin. Party and government leaders attending the opening of the session are Jiang Zemin, Yang Shangkun, Li Peng, Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, and Wang Zhen." After Wan Li takes the center seat in the front row of the rostrum, video shows a long shot of Jiang Zemin, Li Peng, Yang Shangkun and other party and government leaders being escorted to the second but elevated row, as well as other executive chairmen being escorted to seats on both sides of Wan Li in the first row.

At 0101 GMT, Wan Li, who presides over the opening ceremony, says that of the 2,953 deputies to the Third Session of the Seventh NPC 2,705 are present, and declares the session open. He then asks all to rise while the national anthem is played.

At 0105 GMT, after the deputies are seated, Wan Li asks Premier Li Peng to deliver a report on the work of the government. Then, Li Peng is seen walking to the lectern at the very front of the rostrum, and beginning to speak.

Video then focuses on Li Peng, standing, wearing a dark blue Western business suit and a maroon-colored striped tie, as he begins to read his government work report from a prepared text.

While Li Peng speaks, camera shows medium and close-up shots of leaders seated on the rostrum. In the front row are Wan Li, at the center, and Peng Chong, Ngapoi Ngawang Jigme, Liao Hansheng, Chen Muhua on his right, and Xi Zhongxun, Seypindin Aizezi, Yan Jici, Ni Zhifu, Fei Xiaotong, and Lei Jieqiong on his left. In the second row, which is divided into two sections by an aisle in between, are, beginning from the aisle on the left section facing the audience, Jiang Zemin, a vacant seat, Yang Shangkun, a seat vacant which was earlier occupied by Li Peng, Qiao Shi, Song Ping, Li Ruihuan, Wang Zhen, Qin Jiwei, Bo Yibo, Song Renqiong, Liu Huaqing, and Yang Baibing; in the right section, facing the audience and beginning from the aisle, are Yao Yilin, Tian Jiyun, Li Tieying, Li Ximing, Ding Guangen, and Wen Jiabao. About 100 people are seen seated from the third through sixth elevated rows on the rostrum.

As Li Peng reads his report, camera pans the meeting hall, showing deputies seated in rows, listening and taking notes. At 0132 GMT, after finishing the sentence "every citizen of the PRC must treasure the hard-won political situation of stability and unity as he treasures his own life," Li Peng is seen taking a seat and continuing to speak with the lectern before him.

While video shows Li Peng seated and continuing to read the report, camera shows various delegations of deputies, as well as close-up shots of the leaders seated on the rostrum. Toward the end of the reading of the report, after saying that "the tide of human progress is unstoppable," Li Peng rises again and continues standing until the completion of the report.

At 0322 GMT, after Li Peng concludes his government work report, Wan Li announces that the session will continue tomorrow morning, and declares the session in recess.

The live relay ends at 0323 GMT.

Second Meeting Held 21 Mar

OW2103105090 Beijing XINHUA Domestic Service
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[Text] Beijing, 21 Mar (XINHUA)—The Third Session of the Seventh National People's Congress [NPC] held its second meeting in the Great Hall of the People this morning.

Today's meeting was presided over by Executive Chairman Xi Zhongxun.

First of all, entrusted by the State Council, Zou Jiahua delivered a report to the meeting on implementation of the 1989 plan for national economic and social development and the draft 1990 plan. He said: As a whole, the plan was fairly well implemented last year, and the national economy has been developing in the right direction amid the campaign to improve the economic environment, rectify the economic order, and deepen the reform. The outstanding manifestations of this are as follows: The overheated economic growth over the past few consecutive years has cooled down; overly large scale of investment in fixed assets has been scaled down; inflation has been brought under control; the rate of increase in retail sales commodity prices nationwide has dropped month by month; and an appropriate growth rate has been maintained for social production.

He pointed out: In spite of the fact that comparatively marked successful results have been achieved in the work of improving the economic environment and rectifying the economic order, quite a number of problems and difficulties still exist in the economic activities. Certain problems that exist deep within the [economic and social] stratum and that adversely affect the steady development of the economy have not been fundamentally solved yet. Certain basic factors leading to inflation have not been eliminated yet. As the new and the old contradictions are interwoven, the tasks for improving the economic environment and rectifying the economic order are still very arduous.

Zou Jiahua said: The guiding ideology for making arrangements for the 1990 plan are resolutely and unwaveringly carrying out the basic line of the party

during the initial stage of socialism; persisting in emphasizing the central task of promoting economic development; adhering to the four cardinal principles; persisting in reform and the open policy; bringing every positive factor into play; uniting the people of all nationalities in our country; encouraging them to rise with force and spirit to overcome difficulties and to keep promoting the campaign to improve the economic environment, rectify the economic order, and deepen the reform; and striving for further economic development and social stability. It is necessary to concentrate our efforts on successfully promoting national economic development under the precondition of consolidating and developing political stability and unity.

He said: The principal objectives of the 1990 plan for national economic and social development are maintaining an appropriate economic growth rate and, on the basis of improving economic returns and enhancing technological level, endeavoring to achieve a growth rate of 4 percent in the gross agricultural output value, 6 percent in the gross industrial output value, and 5 percent in the gross national product over last year.

He said: The main tasks for the 1990 plan include improving the agricultural sector in a down-to-earth manner by striving for a steady increase in the output of the major agricultural products, such as grain, cotton, and so forth; making vigorous efforts to invigorate sales in the market by endeavoring to readjust structure, increase economic returns, and maintain an appropriate growth for industrial production; continuing to bring the scale of investment in fixed assets under control and readjust the structure of investment; working successfully in making arrangements for the domestic market and the livelihood of the people and continuing to bring the general level of commodity prices under control; persisting in opening to the outside world, making efforts to readjust the structure of import and export commodities, and further promoting trade and economic and technological contacts with foreign countries; and further promoting the development of undertakings in science, education, culture, public health, and physical culture and bringing population growth under strict control.

Entrusted by the State Council, Wang Bingqian delivered a report to the meeting on the implementation of the state budget for 1989 and on the draft state budget for 1990. He said: Despite extremely difficult conditions, we still have achieved comparatively marked successful results in our campaign to improve the economic environment and rectify the economic order in 1989. The national economy is developing in the right direction. The state budget was also comparatively well implemented in 1989, with financial revenues exceeding state estimates, thus basically guaranteeing the need for funds by construction and reform. According to the present statistics, in 1989 total state financial revenues reached 291.92 billion yuan, fulfilling 102.2 percent of the budgeted figure, and total state financial expenditures amounted to 301.455 billion yuan, or 102.9 percent

of the budgeted figure. After offsetting revenues against expenditures, a financial deficit of 9.535 billion yuan was created.

With regard to the draft state budget for 1990, Wang Bingqian said: The main principles followed in making arrangements for the 1990 state budget are further implementing the guiding principle of improving the economic environment, rectifying the economic order, and deepening the reform; continuing to carry out the policy of controlling demand and tightening finance and focusing on the readjustment of the industrial and distribution structures and the improvement of economic returns; endeavoring to promote the development of production, open up new sources of financial income, and appropriately centralize funds to ensure a steady increase of financial revenues; readjusting the structure of expenditures to provide guarantees for key projects and scale down ordinary projects while bringing the scale of financial expenditures under strict control so as to foster the ideology of preparing ourselves for the austerity drive; and strengthening financial management and supervision and keeping a tight rein on the financial deficit so as to gradually ease the contradiction of the outstripping of social total supply by total demand and create conditions favorable for a sustained, steady, and coordinated development of the national economy.

He said: According to the draft state budget for 1990 submitted to the meeting for examination and discussion now, the total financial revenues will be 323.653 billion yuan, which shows an increase of 10.9 percent over the estimated figure for implementation for last year, and the total financial expenditures will be 332.545 billion yuan, which shows an increase of 10.3 percent over the estimated figure for implementation for last year. After offsetting revenues against expenditures, the latter will be more than the former by 8.892 billion yuan.

After a vote by the deputies, the meeting adopted the "Resolution of the Third Session of the Seventh NPC on Accepting Deng Xiaoping's Request To Resign From His Position as the Chairman of the Central Military Commission of the People's Republic of China."

Deng Resigns From Post

HK2103095490 Beijing ZHONGGUO XINWEN SHE
in Chinese 0751 GMT 21 Mar 90

[Report by Li Wei (2621 0251): "Deng Xiaoping's Resignation from State Central Military Commission Chairmanship is Approved"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 21 Mar (ZHONGGUO XINWEN SHE)—Deng Xiaoping has become a Chinese citizen holding no leading position as his resignation from the state Central Military Commission chairmanship, which was his last and only post, was approved this morning by the National People's Congress [NPC], China's highest

power organ. Thus he has finally fulfilled his long-cherished wish for completely withdrawing from the leadership and giving way to the new generation of leaders as soon as possible.

When this application for resignation was put to the vote at the Second Plenary Meeting of the Third Session of the Seventh NPC this morning, of the 2,692 deputies present at the meeting, 2,604 voted for it, 25 voted against it, 46 abstained from voting, and 17 simply did not press the button of the electronic voting device.

Warm applause broke out in the assembly hall when Xi Zhongxun, executive chairman of the session, announced the "Decision (draft) on Approval of Deng Xiaoping's Resignation from the Chairmanship of the Central Military Commission of the PRC" adopted by the Third Session of the NPC.

Deng Xiaoping wrote to the Political Bureau of the CPC Central Committee on 4 September last year to resign from the post of chairman of the Central Military Commission of the CPC Central Committee. In the same letter he also expressed his intention of submitting an application to the NPC to resign from the chairmanship of the state Central Military Commission. In this connection, the CPC Central Committee put forth a suggestion to the presidium of the current NPC session on 9 March recommending an approval of Deng's resignation through legal procedures.

Deng Xiaoping believed that his resigning from the chairmanship of the military commission while still in good health "would be conducive to the cause of the party, the state, and the Army." He also declared that he would continue to pledge loyalty to the party and the state after his retirement and would exercise his duty as an ordinary CPC member and citizen when there was a need.

As scheduled by the agenda of this NPC session, a new chairman of the state Central Military Commission will be elected on 3 April.

Deputy Views Socialist Vitality

OW2103101790 Beijing XINHUA in English
0909 GMT 21 Mar 90

[Text] Beijing, March 21 (XINHUA)—"Socialism is full of vitality and it has never been defeated," a deputy to China's National People Congress (NPC) said here today.

Zhou Guanwu, director of the Shoudu Iron and Steel Company in Beijing, is attending the current annual NPC session. Citing his company's achievements in the last 11 years, he said socialism could not only save China but also help it to develop.

Zhou's company pioneered China's urban economic reform and took the lead in implementing the contracted responsibility system among the country's large industrial enterprises in 1980. As a result of the reform, the

company's annual steel output rose to 3.27 million tons in 1989 from 1.17 million tons in 1978.

In the last 11 years, on average the company's profits rose at an annual rate of 20 percent, and its revenues turned over annually to the state were 1.04 billion yuan. In 1989, the company's profits amounted to 1.893 billion yuan, up 17.22 percent over 1988; its contributions to the state, 1.315 billion yuan, a 15.51 percent increase.

"It is indeed a difficult problem to invigorate the economy while keeping public ownership in a predominant position," said the director, "but we have found a solution to it, that is reform and the contracted responsibility system."

He said the contract system has constantly improved the company's economic performance and enabled its employees to be masters of the firm.

In 1989, the company's workers and staff offered 105,000 proposals to tide the firm over difficulties such as shortage of funds, energy, materials, and transport services, he said.

Zhou said a recent public opinion poll showed that 98 percent of the workers in the company are concerned about the reform and the country's socialist cause.

The entrepreneur believed that so long as the reform and opening process are carried forward under the Communist Party leadership, China's socialist cause will be ever victorious.

Committee Member on Work Report

OW2103100590 Beijing XINHUA in English
0913 GMT 21 Mar 90

[Text] Beijing, March 21 (XINHUA)—Veteran diplomat Fu Hao said here today that domestic stability is the basis for conducting diplomatic work.

Fu, who has been involved in foreign affairs for 40 years, is now a Standing Committee member of the National People's Congress (NPC) and vice chairman of the NPC Foreign Affairs Committee.

In an interview with reporters, he said that the relations between China and other countries has begun to develop in the right direction, although some difficulties and circumstances turned up since last June.

The main factors behind this are the growing political, economic, and social stability in China and the useful work done by foreign affairs institutions including the NPC Foreign Affairs Committee, he said.

Fu, commenting on Premier Li Peng's government work report to the NPC annual session Tuesday, described foreign affairs and domestic stability as "supplementary to each other."

"Domestic stability provides a solid basis for promoting our relations with other countries while a steady growth of the latter will contribute greatly to domestic stability," he said.

Included in the agenda of the current 15-day NPC session is the examination of a Draft Basic Law of the Hong Kong Special Administrative Region and a draft amendment to the Sino-Foreign Joint Venture Law.

"This shows that China will, instead of retreating, continue to follow the reform and open policies. The draft and the amendment, once approved, will definitely push our foreign relations forward," Fu Hao said.

Discussing the international situation, he described 1989 as a year witnessing the greatest changes since the second world war.

He believed that such a turbulent situation is not totally a bad thing. "We should have a sense of urgency, stand our ground firmly and lose no time in running our domestic construction well," he said.

He continued that China is an important factor in maintaining world peace. "A stable China will promote world peace while progress in world peace will do the same to China's stability because China's socialist modernization needs a peaceful international environment," he concluded.

East Region

Fujian Capital Disciplines Cadres for Corruption

OW2103024990 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 18 Mar 90

[Text] Discipline inspection departments at all levels of Fuzhou City have concentrated efforts on investigating discipline-violation cases within the party, and have achieved notable results. In 1989, 790 such cases were placed on file for investigation and 665 party members were punished according to party discipline, thereby enabling the smooth carrying out of the campaign to improve the economic environment, straighten out economic order, and deepen reform.

In recent years, the masses have voiced strong complaints about violations of law and discipline by law enforcement departments. In 1989, 37 such cases were investigated in Fuzhou. Fuqing County alone investigated 21 cases involving public security departments, industrial and commercial departments, taxation departments, and 47 law enforcement cadres.

The Fuzhou City CPC Discipline Inspection Commission has regarded handling cadres' building houses on occupied lands as a major anticorruption work. To ensure that work in this area is properly carried out, the Fuzhou City CPC Committee laid down the following three regulations: First, land administration departments are to halt examining and approving applications for building private houses. Second, houses already built are to be handled under unified management after they are examined. Third, those who rush to build houses are to be sternly handled.

(Yu Jinsheng), deputy secretary of the (Dongqiao) Township CPC Committee of Minqing County, built a three-story house with 27 rooms on 321.75 square meters of land spending more than 70,000 yuan. After investigation, it was found that Yu Jinsheng used his authority to embezzle 1,770 yuan for cement, issued fake invoices for an amount of 5,600 yuan, [words indistinct] 1,339 yuan, and took bribes of 800 yuan. He was deprived of his party membership.

Jiangsu Issues Austerity Circular

OW1603235390 Nanjing XINHUA RIBAO
in Chinese 17 Feb 90 p 1

[Text] The Jiangsu Provincial CPC Committee and the provincial people's government recently issued to all localities and all departments a "Circular on Carrying Forward the Tradition of Hard Struggle and Truly Leading a Thrifty Life for Several Years."

The "circular" points out: Making great efforts to carry forward the glorious traditions of hard struggle, diligence, and thrift in building the country is conducive to promoting the task of improving the economic environment, rectifying economic order, and deepening reform; overcoming temporary difficulties; and ensuring steady

economic development. These efforts are also helpful to promoting ethical integrity and working efficiency among public servants, correcting party style, improving the general mood of society, and consolidating and enhancing the political situation of stability and unity. Party committees and governments at all levels in the province should take the lead in responding to the call issued by the central authorities and be determined to live a thrifty life for several years.

The "circular" lists six measures for leading a thrifty life:

1. It is necessary to exercise strict control of the number and size of organizations. Administrative organizations at various levels should not increase or upgrade their offices without state authorization. They should not increase their personnel this year, with the exception of additional personnel authorized by the state or assigned under the unified state placement plan. If they need additional personnel, they should seek transfers from other administrative organizations. Generally speaking, no new workers and cadres should be recruited from the public. The administrative operating funds will be kept to the 1989 level, with the exception of additional funds to be used in wage increases. The change of the agricultural population status to nonagricultural population status must be strictly controlled in accordance with regulations of the state, and must not exceed the quota. Applications for establishing new societies, associations, and similar organizations (not including peasants' mutual-assistance and cooperative economic organizations) will not be examined or approved for the time being. It is not permitted to apportion, or to apportion in disguised form, enterprises the burden of funding the operating expenses for various societies and associations.

2. Great efforts must be made to reduce nonproductive construction. It is not permitted to build new office buildings, auditoriums, and guest houses, or to make high-standard repair of existing office buildings and living quarters. It is necessary to seriously screen the new office buildings constructed in the last several years by provincial administrative organs, institutions, and departments in charge of enterprises. If their floor space exceeds the authorized size, they should be put under the unified redistribution by the provincial government Offices Administration Bureau. The departments and organizations must be subordinate to the interests of the whole, and not practice departmentalism. Urban construction should be done according to local capability. During the period of improving the economic environment and rectifying economic order, large-scale renovation and transformation projects should be discontinued.

3. It is necessary to exercise strict control of institutional purchase, and resolutely restrict high-standard consumption. Any departments and organizations, when buying state-controlled commodities, must abide by the regulations of the state and go through strict examination and approval procedures. Administrative organs, institutions, and departments in charge of enterprises are not permitted to set up offices in high-class guest houses and

hotels. Office automation should proceed from reality, develop step by step under proper control, and avoid buying expensive equipment. All home telephones installed at public expense in violation of regulations must be disposed of according to relevant regulations. All party and government organizations will stop buying import sedans. The departments concerned will exercise strict control of small motor vehicles intended for enterprises, and formulate clear and definite stipulations for examination and approval of car purchase requests. Cadres of all departments at all levels must abide by regulations in using cars, and must pay for transportation if it is for private purposes.

4. Great efforts must be made to simplify meetings and commemorate social activities. There will be no provincial-level commendation, victory, or award meetings this year. In general, we will not hold ribbon-cutting ceremonies, except for very important projects. We will not hold any commemoration meetings or activities, except for important historical events, famous Chinese and foreign personalities, and personalities significant to our united front work. Generally speaking, we will not hold anniversary celebrations for any localities, departments, or organizations. Meetings must stress actual results and be kept to a minimum. They must be short in duration, managed by a small staff, and convened with no more than authorized spending. A meeting of more than 100 people including city or county responsible comrades must be approved by the provincial party committee and the provincial government. Meetings held in this province by other provinces, municipalities, or higher-level departments should be jointly managed by the general offices of the provincial party committee and provincial government. This year's meeting funds should be kept at the 1989 level. Party and government organizations will be given a fixed amount of meeting funds and will be responsible for their own deficits. The general office of the provincial party committee, the general office of the provincial government, and the provincial press and publications administration will screen journals published by various provincial departments, and discontinue those which rely on government subsidies or are of little value in order to reduce expenditures

5. All bonuses and subsidies, in cash or in kind, and garments issued in violation of state regulations will be handled as discipline cases. A dress code will be drawn up to guide the people, and anyone who violates the relevant regulations of the state must be corrected. Control over nonbudgetary funds must be intensified, and the "small treasuries" set up by party and government organs and enterprises and institutions must be thoroughly checked, and those who falsify the accounts will have their responsibilities investigated. Local authorities and units will not upgrade the standards of expenditures or expand the scope of subsidies without authorization. Public funds borrowed by individuals for personal reasons must be repaid. Deadlines must be set for repayment of all delinquent public funds, and repayment plans must be drawn up for those who have problems paying because of special reasons.

6. Squandering public funds for entertainment and gifts is strictly prohibited. When personnel of party and government organs perform official business at grass-roots units, enterprises, and establishments, they should, without exception, eat meals for regular work (one meat dish, one vegetable dish, and one bowl of soup). The meals for regular work must not exceed the standards set by fiscal departments, and all diners must pay for their meals according to regulations. Enterprises and establishments may not entertain cadres from party and government organs. Austerity principles and regulations must also be implemented and strictly observed in business intercourse and other activities. Personnel of all party and government organs must not accept gifts purchased with public funds, and they may not accept samples, test production products, or new products in the name of appraising and testing their quality, nor can they purchase goods from manufacturers at low prices. Rules and regulations governing medical care at government expenses must be strictly enforced and supervised so that loopholes can be stopped. Traditional ways of handling funerals and burials should be reformed and simplified.

The "circular" calls on all departments in Jiangsu to carry forward the fine tradition of waging arduous struggle, lead an austere life for a new year, and go all out to practice economy. It says: Leading organs at all levels, especially leading cadres, must take the lead in leading an austere life. The departments of one level should supervise and lead the work of departments of the next lower level, and all of them should set a good example for the people. Discipline inspection, supervisory, auditing, fiscal, and banking departments as well as committees in charge of operation of government organs must provide effective supervision. Propaganda and journalistic departments should intensify their propaganda on the need to wage arduous struggle and lead an austere life, and they should provide powerful supervision in this area through the media.

Shandong Governor Speaks at Economic Conference

*SK1803071890 Jinan Shandong Provincial Service
2300 GMT 13 Mar 90*

[Text] On the afternoon of 13 March, when delivering a speech at the provincial working conference on economic structural reform, Governor Zhao Zhihao stressed: We should further understand the necessity and importance of reform, should correctly handle the relationship between economic rectification and in-depth reform, and should make resolute and unremitting efforts to carry on reform.

After fully affirming the tremendous achievements scored by the province in the decade of reform, Zhao Zhihao pointed out: Persisting in reform is an important component of the basic line of our party, the road to lead the country to strength and the people to prosperity, and is written in line with the party constitution and the Constitution of the PRC. Reform is dictated by the basic

contradictions in the socialist society and by objective law. Therefore, we must approach the adherence to reform from the perspective of executing the basic line of the party and from the perspective of handling affairs in line with objective law. From now on, no matter what circumstances we meet, we must carry on reform and opening in a resolute and unswerving manner.

Zhao Zhihao emphatically pointed out: We should correctly handle the relationship between economic rectification and in-depth reform. In addition to concentrating our major energies on economic rectification, we should make reform and opening last throughout the campaign of economic rectification. On no account should we forsake or stop reform on the excuse of conducting economic rectification. It is harmful and wrong to set one of them against the other, or separate one from the other. He added: At present, some localities and units in the province display the phenomenon of replacing reform with economic rectification. In these areas and units, the voice of reform is no longer loud and has even faded away, and the pace of reform has ceased. This will affect not only reform but also economic rectification.

Zhao Zhihao also called on leading cadres at all levels to attend to the work in four fields while carrying out reform, namely, ideological work, the implementation of the responsibility system in guiding reform, organizational work, and the application of reform measures. The current provincial working conference on economic structural reform is primarily devoted to studying and arranging for this year's task of deepening reform.

Vice Governor Gao Changli presided over the plenary session held on the afternoon of 13 March.

Shanghai Congress Session Discusses Work Report

*OW1803060590 Shanghai WEN HUI BAO in Chinese
14 Mar 90 p 1*

[Text] The 16th session of the ninth municipal people's congress standing committee has begun group discussions on the committee's draft work report. Referring to the committee's work during the past year, standing committee members put forward many proposals regarding the work of the standing committee.

The standing committee members pointed out: During the past year, pursuant to the resolutions adopted by the second session of the ninth municipal people's congress, the municipal people's congress standing committee conducted its work centering on two major tasks: first, improving the economic environment, rectifying economic order, and deepening reform and second, ending turmoil and quelling the counterrevolutionary rebellion. By strengthening the building of socialist democracy and the legal system, safeguarding political stability and unity, and conducting its work efficiently, it has ensured and promoted the smooth progress of the drive to

improve Shanghai's economic environment, rectify its economic order, and carry out its reform and opening policy.

The standing committee members pointed out: In the coming year, we must exercise legal supervision selectively and in a deep-going manner, improve our methods, and pay special attention to achieving concrete results. The "Administrative Procedural Law" will be in force beginning 1 October this year. We must urge our municipal government and courts to complete the preparatory work for the enforcement of the law, perfect the legal apparatus, and act in strict accordance with the law.

The standing committee members stressed: In strengthening supervision of the work of the municipal government, courts, and procuratorates, we must seize the major issues of special concern to the masses, such as the consolidation of companies, the punishment of corrupt personnel, the promotion of honest and efficient government, the stabilization of commodity prices, the improvement of social order, and serving the people in a concrete way. We must seriously strengthen supervision and inspection in these fields.

Zhejiang Governor Presents Work Report

*OW1803060690 Hangzhou Zhejiang Provincial Service
in Mandarin 1000 GMT 9 Mar 90*

[From the "Provincial Hookup" program]

[Text] In a government work report he presented at the Third Session of the Seventh Zhejiang Provincial People's Congress [date not given], Governor Shen Zulun pointed out that Zhejiang will continue to tighten expenditures and credit, considering this to be Zhejiang's principal economic retrenchment and reform task in 1990. While upholding and improving aggregate control [zhong liang kong zhi], efforts will be made to restructure the economy, increase output and revenue, and conserve resources and expenditures so as to achieve better economic performance. Continuous efforts will also be made to restore order in the circulation sector, and to stabilize and improve various reform measures so that proper economic growth can be maintained.

Governor Shen Zulun said: Steady agricultural growth, especially a steady increase in grain output, is essential for economic stability and successful economic retrenchment. To achieve steady agricultural growth, we must first of all maintain continuity and stability of all fundamental rural policies. We must keep reminding peasants that the following policies will remain unchanged: the policy governing all types of output-related contracts based primarily on family operation; the policy of permitting and encouraging some localities and individuals to become affluent first with the aim of achieving coprosperity; the policy of never slackening grain production, actively diversifying economic operation, and steadily adjusting and improving the rural areas' production

structure; the policy of encouraging and guiding township enterprises to develop properly; the policy of developing all kinds of economic operation on the basis of upholding the public ownership system; and the policy of integrating economic planning and applying market regulation in purchasing and marketing principal agricultural goods and nonstaple foodstuffs.

Governor Shen Sulun said: Science and technology are essential for boosting agricultural production, and agriculture must rely on science and technology for higher output. Thus, Zhejiang will organize personnel of agricultural research organs, agricultural colleges, and other departments in charge of agriculture to form three-in-one groups of agricultural scientists and technicians to promote expertise in increasing output of grain, cotton, oil-bearing crops, and other field crops. The state will continue to stabilize the supply of fertilizer, agricultural chemicals, plastic sheeting, and diesel fuel, which are used for the contractual purchase of grain and are supplied based on the size of the grain acreage. Efforts will also be made to stabilize their prices. Meanwhile, efforts will also be made to further improve the monopoly trade of chemical fertilizer, agricultural chemicals, and plastic sheeting.

In industrial production, efforts will be made to maintain appropriate growth on the premise of achieving better economic results. Efforts will also be made to improve Zhejiang's adaptability and [words indistinct] readjustments according to Zhejiang's actual situation. Adaptability readjustments primarily refer to adjusting Zhejiang's product mix and classifying Zhejiang's products into four categories—goods whose output must be guaranteed, goods whose output is handled on a priority basis, goods whose output is restricted, and good whose output is prohibited—according to the needs of the domestic and world market and of our society. [Word indistinct] readjustments refer primarily to upgrading the industrial structure by 1) expediting the construction of infrastructural projects related to electric power, communications, and telecommunications as well as industrial production that serves agriculture; 2) appropriately developing petrochemical industry and industrial production of raw and semifinished materials such as steel and nonferrous metals and the mining of nonmetallic minerals; 3) upgrading technology in machine-building, light industry, textile industry, food industry, and other traditional processing industries through technical renovation; and 4) actively and selectively promoting electronics and other new industries.

Efforts will be made to tighten expenditures and credit so as to control the aggregate demand in society. Efforts will also be made to improve order in the circulation sector and improve market control so as to stabilize commodity prices. Zhejiang will continue to open to the outside world and make efforts to maintain sustained export growth, uphold and improve its reform measures, and intensify and improve macroscopic control.

Zhejiang Names People's Congress Presidium

OW1803050490 Hangzhou ZHEJIANG RIBAO
in Chinese 7 Mar 90 p 1

[Namelist of the presidium and the secretary general of the Third Session of the Seventh Zhejiang Provincial People's Congress, adopted by the preparatory meeting of the Third Session of the Seventh Zhejiang Provincial People's Congress on 6 March 1990]

[Text] The presidium (79 members, in order of the number of strokes in their family names):

Yu Kejia, Yu Guanxi, Ma Ruikang, Wang Zhanyi, Wang Qidong, Wang Zuozhong, Wang Xianfang, Wang Qichao, Wang Yumin, Li Yuhua (female), Cong Lin, Lu Shengliang, Zhu Changle (female), Zhu Hongfa, Zhu Xiaozhang, Zhu Zuxiang, Liu Xin, Liu Zhaoen, Liu Xirong, Sun Yiyi (female), Xu Hongyun, Yang Bin, Yang Limei (female), Yang Baozhen, Yang Jisun, Li Hui, Li Fengping, Li Qingtan, Li Zemin, Li Jisong, Wu Minda, Wu Zhichuan, Wang Xixuan, Shen Yueyue (female), Song Hong, Song Ruifu, Song Zhengqi, Du Jiuan, Zhang Shaofu, Zhang Wenchuan, Zhang Kejian, Zhang Yuhua (female), Zhang Xiaolin (female), Lu Su (female), Lu Huizhen (female), Chen Wenliang, Chen Anyu, Chen Zhegen, Lin Zexuan (female), Jin Jiafu, Zhou Hongchang, Zheng Jiashun, Zhuo Shengshan, Hu Yiyuan, Hu Yunzhi (female), Hu Xiaomin, Hu Xuwei, Zhong Shijie, Xia Tiqin, Xu Bukui, Xu Songlin, Xu Zuchao, Geng Dianhua, Gu Xiuxiu (female), Gu Weiyan, Guo Maoyang, Cui Bo (female), Tao Jian, Dong Guanghua, Dong Bingyu, Peng Guozhen, Cheng Busheng, Cheng Caiwen, Cheng Xiaoshun, Han Zhaoxian, Fu Awu, Lei Xiqing (She nationality), Li Qing, and Wei Xiajiu.

The secretary general, serving concurrently, is Yang Bin.

Central-South Region

Guangdong Holds CPC Cadres Meeting

HK2003092690 Guangzhou Guangdong Provincial
Service in Mandarin 0400 GMT 19 Mar 90

[Excerpt] This morning, the Guangdong Provincial CPC Committee held a meeting attended by all the CPC-member cadres at and above provincial department and bureau chief levels.

Guo Rongchang, deputy secretary of the Guangdong Provincial CPC Committee, delivered a report on studying and implementing to the letter the "Opinions of the CPC Central Committee on Adhering to and Perfecting the CPC-Led Multiparty Cooperation and Political Consultation System" at this morning's meeting.

In his report, Comrade Guo Rongchang mainly dwelt on the guiding ideology and the basic contents of the "Opinions" and demanded that the CPC committees at all levels and all the CPC-member cadres in Guangdong fully comprehend the important position and role in

China's political life; and clearly understand the unity between adhering to the CPC leadership on the one hand and developing the socialist democracy and strengthening multiparty cooperation on the other.

Comrade Guo Rongchang stressed that conscientiously implementing the "Opinions" still remains an important task of the CPC's united front work to this day. [passage omitted]

Guangdong SEZ Mayor Li Hao Interviewed

HK2103030490 Beijing CHINA DAILY in English
21 Mar 90 p 1

[By staff reporter Zhang Yu'an]

[Text] China's first special economic zone is set to take three major measures this year to make the city more open to overseas investors.

The measures include setting up a bonded industrial area bordering Hong Kong and a duty-free raw materials market, and further expanding the existing securities market.

In an exclusive interview with CHINA DAILY, Shenzhen SEZ Mayor Li Hao, who is now attending the NPC plenum in Beijing, said that the move is aimed at creating a better environment for overseas investors and making the city open wider to the outside world.

Li, who is also the SEZ's deputy to the National People's Congress, said the new measures were completely in line with the nationwide retrenchment programme; focusing on improving China's foreign investment climate and readjusting the existing economic order.

The bonded industrial area, now still a piece of wasteland on a beach, will cover a space of 1.67 square kilometres.

When completed, the area will be able to provide jobs for up to 100,000 people.

Mayor Li said that the city has no problem on providing enough labourers.

Li also said that businessmen from foreign countries and Hong Kong have showed great interest in the bonded industrial area.

Li explained that the bonded industrial area is similar to overseas free trade zones and has more convenience than the other parts in the city.

For instance, imports and exports in the area will have nothing to do with Chinese customs authorities.

At the same time, the mayor said, a free-duty raw materials supply market is also going to be set up this year in order to guarantee investors in Shenzhen with a ready supply of fair priced raw materials.

Li said that the plan has been sent to the State Council for approval.

To meet the need of fast economic development in Shenzhen, the city this year will further improve its securities market, the mayor said.

The city aims to build up a stock exchange market instead of a State-treasury bonds trading centre as in other Chinese cities.

At the moment, there are already some public companies in Shenzhen.

"But this is not enough. Shenzhen should have more public companies," Li said.

Guangdong Bans Privately Employed Workers

HK2003085290 Hong Kong WEN WEI PO in Chinese
9 Mar 90 p 17

[News from Guangzhou: "Guangdong Strictly Bans Privately Employed Workers"]

[Text] Guangdong Provincial Labor Bureau recently issued a circular on "the way to deal with the violations of the Guangdong Provincial Regulations on the Recruitment of workers," strictly prohibiting enterprises, institutions, and individual industrial and commercial units of all places, from privately recruiting or indiscriminately employing workers from other provinces and in this province. Economic sanctions will be applied against those who violate the regulations.

About 420,000 workers returned their hometowns in Guangdong from other provinces to spend the Spring Festival this year. The workers who came to Guangdong after the Spring Festival were mainly the contract workers. Of about 100,000 workers who recently came, 80,000 have returned home on advice and about 20,000 workers from other provinces are still staying in all places throughout the province. However, it was learned that a large number of Sichuan workers who want to come southward are now still held up in Wuchang and tends to increase.

Guangdong Provincial Labor Bureau stipulates that the labor force recruited from other provinces without authorization and the approval of the provincial labor bureau, is to be dismissed in a specified period as instructed. A fine of 300 yuan for each worker privately recruited will be imposed on offenders. Where a case is serious, a unit will be instructed to suspend for consolidation or its business license will be canceled. Those who recruit the labor force of this province without authorization and the approval of a labor department at and above a county level, will be instructed to go through the necessary formalities in a specified period. A fine of 100 yuan for each worker recruited will be imposed on offenders. A fine of less than 500 yuan will be imposed on those who obstruct the labor department from performing its official duty to conduct inspection and supervision of the workers recruited or who refuse the labor department to perform its official duty to conduct such inspection and supervision. A fine of 100 to 300

yuan will be imposed on the leaders concerned and directly responsible persons of the units who conceal and fail to report the situation in the private recruitment of workers, and who refuse to make correction after inspection; and their units or departments in charge must take administrative actions against them according to the seriousness of the cases.

Guangdong Reports Corruption, Bribery Cases

HK2103013590 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 19 Mar 90

[Text] Since the beginning of this year the struggle against corruption and bribery has proceeded well in the province, with a continuous trend of cracking down on economic criminal activities. This morning a provincial procuratorate spokesman announced how cases of economic crimes had been handled.

According to statistics, from January to February of this year procuratorial organs throughout the province examined 371 corruption and bribery cases, an increase of 78 percent over the same period of last year. Sixty percent of those involved in these cases were cadres of government organs, enterprises, and institutions. In addition, procuratorial organs at all levels took effective measures to arrest and bring to justice 13 criminals who had absconded. They also ordered 150 criminals involved in corruption and bribery to surrender themselves to procuratorial organs. Corruption and bribery cases reported by the masses increased by almost a half over the same period of last year.

Corruption and bribery cases in the province are still quite serious, the spokesman pointed out. Procuratorial organs will continue to examine and handle corruption and bribery cases, particularly important and major ones, and to urge criminals to give themselves up to procuratorial organs.

Guangxi Holds Minority Nationalities Conference

Meeting Opens

HK1603140590 Nanning Guangxi Regional Service in Mandarin 1100 GMT 15 Mar 90

[Text] The regional party committee and the regional people's government this morning held a meeting of leading cadres from organs directly under the provincial authorities at the provincial government auditorium, conveying important speeches by the central leading comrades and discussing and making arrangements for the region's work among the minority nationalities so as to carry forward the cause of national unity and progress in our region.

Regional party committee Deputy Secretary Liu Mingzu presided over the meeting and Chen Huiguang, regional party committee secretary, and Cheng Kejie, regional people's government acting chairman and regional party committee deputy secretary, spoke at the meeting. They

emphasized in their speeches: We should seriously study the important speeches by Comrades Jiang Zemin and Li Peng and help cadres and the masses understand better the importance of the national problem and our work among the minority nationalities. Party committees and governments at all levels should attach great importance to the national problem and do work well among the minority nationalities. When acting on principles and policies formulated by the higher authorities and formulating principles and policies for work of an area and a department, party committees and governments at all levels should at all times take the situation in our region into account and study the special characteristics of minority nationalities and of the minority areas, maintain closer ties with the masses of minority nationalities, listen to their opinions, have their well-being at heart, help them solve difficulties and problems in their practical work, inherit and carry forward the region's glorious tradition of national unity and further consolidate and develop the socialist relationship of new style between nationalities in our region. Meanwhile, education should be carried out on the national ideology of Marxism-Leninism-Mao Zedong Thought, adherence to the four cardinal principles, the party's national policies, and the idea of two inseparables. Any erroneous ideas, remarks and actions affecting the relationships between nationalities and hurting national feelings should be criticized in real earnest whenever they appear in any form. Efforts should be made to train and expand the ranks of cadres of minority nationalities in various forms and through different channels, raise the quality of cadres of minority nationalities and bring their role into full play so as to push on the cause of national unity and progress in our region. Meanwhile, it is necessary to develop the economy and culture in the minority areas, accelerate the pace of shaking off poverty for prosperity in the minority areas, and work hard to achieve common prosperity of all nationalities. At present, it is necessary to resolutely implement the principles of improving the national environment, rectifying the economic order and deepening the reforms to quicken the pace of opening up the minority areas to the outside world. With regard to economic construction in the minority areas, we should mainly encourage local people to work through their own efforts and with arduous efforts. Rather we should also strengthen mutual cooperation support with the economically developed areas. Continued efforts should be made to promote the work of caring for the needy and work hard to help the mountain areas cast off poverty. More leadership should be given in earnest to our work among the minority nationalities. Party committees and governments at all levels should, in accordance with the party's basic line, properly handle the relationships between nationalities of our region in light of Marxist theory on nationalities and socialist national policies, tactfully solve problems existing in the relationships between nationalities, seriously sum up and study measures to enforce the law for self-government of national autonomous regions. At present it is imperative to revise rules and regulations on exercise of regional autonomy in

our region and make them more concrete so as to push forward the development of all undertakings in our region.

Regional Nationalities Affairs Committee Chairman Yu Dajia conveyed important speeches by the central leading comrades at the meeting. The State Nationalities Affairs Commission Vice Minister Zhuo Jia attended and addressed the meeting. Representatives attending the regional conference of nationalities affairs committees at different levels attended the meeting too.

Commission Director Speaks

HK20030901 90 Nanning Guangxi Regional Service in Mandarin 1100 GMT 18 Mar 90

[Excerpt] Summing up experience, working hard to blaze a new trail, and making further contributions to common prosperity of various nationalities in the region: This is the central topic for discussion at the regional meeting for directors of nationalities affairs commissions held from 15 to 18 March. Last year, we attained gratifying results in enforcing the law on regional autonomy of minority nationalities, developing the economy of the areas inhabited by minority nationalities, and developing education for minority nationalities. As a result, the unity between various nationalities further strengthened. At the meeting, Yu Dajia, director of the regional nationalities affairs commission, laid out the plans for the areas inhabited by minority nationalities. When dealing with the work of publicizing the party's policy toward minority nationalities in depth and strengthening the unity between various nationalities, he said that the relations between various nationalities are good, but many problems remain unsolved. We should make use of traditional festivals of various nationalities and the mass media to vigorously propagate the party's policy toward minority nationalities and the law on the regional national autonomy. We shall educate cadres and the masses to do and say nothing detrimental to national unity. We should make a concrete analysis of everything, work with meticulous care, turn negative factors into positive ones, make sure that we will not stray from the party leadership and the masses, and work hard to consolidate and develop the socialist relations between various nationalities. While emphasizing that it is necessary to attach primary importance to economic construction, help minority nationalities to develop the economy, and raise their living standards, Yu Dajia pointed out that we should earnestly carry out investigations and studies, provide effective guidance and assistance to rocky areas, border areas, and old revolutionary base areas. In the meantime, we should be concerned about production and livelihood of minority nationalities who live together with other nationalities or lived in isolated areas. We should devote greater attention to the spots as yet untouched by the drive to develop the economy, and help the minority nationalities who are extremely poor to have enough to eat and wear. We should also break with outdated concepts, establish economic relations with the outside world, and absorb

foreign funds and advanced technology to develop minority nationality economy. Yu Dajia also dealt with improving the education for minority nationalities, raising their scientific and technological level, carrying out minority nationality-related cultural activities, carrying forward fine traditions of minority nationalities, and doing a good job in building socialist spiritual civilization in the areas inhabited by minority nationalities. The nationalities affairs commissions should exercise their functions properly and take part in the work of selecting, fostering, and using minority nationality cadres. [passage omitted]

Hainan Capital Begins New Public Order System

HK2103024190 Hong Kong WEN WEI PO in Chinese 9 Mar 90 p 17

[Text:] Lu Kaisen, chief of the Public Security Department, announced recently: The Haikou City party committee and city government have decided to institute a new system for maintaining public order so that it can be ensured comprehensively in society.

It is said that this new system is a pyramidal social management structure with a solid foundation. Its basic units are resident groups (10 to 15 households). When a member or a household of a resident group gets into trouble, everyone in the group will come to his or her help. It is easy to settle ordinary civil disputes within the group. When one household breaks the laws, nine households will serve to supervise it. To ensure the implementation of this system, they will establish networks for security, information, intelligence, giving help and instructions, and settling civil disputes.

They will organize brigades for sustaining group prevention and security and organize factory protection brigades, village protection brigades, and courtyard protection brigades. They will also institute a patrol and rotation duty system and a supervisor responsibility system for residents' houses and residential courtyards in order to maintain the security and order of residential areas. They will also organize people for patrol duties in collective markets, individual markets, and street stalls.

They will facilitate the implementation of seven local regulations for public order management so that they will really apply to Haikou: These seven regulations are: "The Convention for Haikou Residents," "The Methods for the Management of Temporary Residents in Haikou," "The Job Duties of Public Order Joint-Defense Groups," "The Work System for Joint-Defense Groups in Haikou," "The Work Regulations For the Implementation of the 'Regulations for the Association of the Order and Defense Committees' in Haikou City," "The Stipulations on the Implementation of the 'Regulations for the Association of the City Resident Committees of the PRC' in Haikou City," and "The Stipulations for Helping and Instructing the People of Haikou City Who Break the Laws."

Hainan Circular Urges Marxist-Leninist Study

*HK2103080790 Haikou Hainan Provincial Service
in Mandarin 2300 GMT 20 Mar 90*

[Excerpt] The Hainan Provincial Party Committee Propaganda Department yesterday issued a circular, urging cadres of the whole province to study harder the philosophical theory of Marxism-Leninism to heighten their political awareness.

The content of the study is focused on the outline of Marxist philosophy compiled by the CPC Central Committee Propaganda Department, the speech by Comrade Jiang Zemin at the meeting in celebration of the 40th anniversary of the PRC, the decision adopted at the Fifth Plenary Session of the 13th CPC Central Committee, and some policies formulated by the party Central Committee specially for Hainan Province. Leading cadres at all levels and cadres of propaganda departments should also study the philosophic works by Comrade Mao Zedong—"On Practice," "On Contradiction" and "On Protracted War"—works by Comrade Deng Xiaoping such as the article "Emancipate the Mind, Seek Truth from Facts and Unite as One in Looking to the Future" and some original philosophic works of Marxism-Leninism. [passage omitted]

Hubei CPC Holds Enlarged Plenary Session

*HK2103035490 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 19 Mar 90*

[Excerpts] The Fifth Enlarged Plenary Session of the Fifth Hubei Provincial CPC Committee was held in Wuchang from 16 March to 18 March.

The enlarged plenary session was aimed at conscientiously relaying, studying, and implementing the spirit of the Sixth Plenary Session of the 13th CPC Central Committee.

The session relayed "Decision of the CPC Central Committee on Strengthening Ties between the CPC and the People" and an important speech made by Comrade Jiang Zemin as well.

The session also relayed a document to all the CPC-member leading comrades at and above vice provincial governor or deputy provincial CPC committee secretary level.

The session discussed and ratified "Resolution of the Hubei Provincial CPC Committee on Implementing 'Decision of the CPC Central Committee on Strengthening Ties between the CPC and the People.'"

Guan Guangfu, secretary of the Hubei Provincial CPC Committee, and (Guo Shuyan), Zhao Fulin, and Qian Yunlu, deputy secretaries of the Hubei Provincial CPC Committee, presided over the session respectively. [passage omitted]

All the participants at the session unanimously agreed that the "Decision" is at once of great realistic significance and profound historical significance and is thereby a very important Marxist document devoted to party-building.

The session demanded that the CPC organizations at all levels and all the CPC members and cadres in Hubei fully understand the necessity and urgency of strengthening the existing ties between the CPC and the people, adopt practical and effective measures to implement to the letter the spirit of the "Decision."

The "Resolution of the Hubei Provincial CPC Committee on Implementing the 'Decision of the CPC Central Committee on Strengthening Ties between the CPC and the People,'" which was discussed and ratified by the session, put forth the following eight demands: 1) To organize the broad masses of the CPC members and cadres to conscientiously study the "Decision" and fully comprehend the spirit of the "Decision;" 2) To implement the "Decision" in the spirit of the party rectification movement; 3) To help the masses solve a number of problems about which the masses are most concerned with a view to maintaining political, economic, and social stability in Hubei and further improving the relationship between the CPC organizations and the masses and the relationship between the cadres and the masses; 4) All areas and departments concerned must formulate specific measures aimed at implementing the "Decision" in light of local conditions; 5) All CPC members and leading cadres must play an exemplary role in taking the lead in implementing the "Decision;" 6) To strengthen the building of the CPC organizations at the grassroots level and sum up and publicize the successful experiences gained and the successful methods used by the grassroots CPC organizations in forging closer ties with the masses; 7) To carry out meticulous ideological and political work and educate and guide the masses to consciously support and implement various policies of the CPC; 8) To strengthen examination and supervision in this regard with a view to ensuring the smooth implementation of the "Decision."

Comrade Guan Guangfu also delivered a speech at the closing ceremony of the session.

In his speech, Comrade Guan Guangfu dwelt on the following four questions: 1) The question of strengthening confidence, bracing up, and achieving new victories; 2) The question of implementing the "Decision" and forging closer ties with the masses; 3) The question of strengthening the inner-party unity, the unity among the people, the unity between the army and the people, and the unity among various nationalities; 4) The question of relaying and implementing the spirit of the Sixth Plenary Session of the 13th CPC Central Committee. [passage omitted]

Hubei Approves Family Planning Quotas Document

HK2103062890 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 19 Mar 90

[Text] This morning, (Guo Shuyan), acting governor of Hubei, signed the "Letter of Responsibility for Management of Family Planning Quotas" with the responsible persons of various prefectures, cities, autonomous prefectures, and forest areas of Hubei in a bid to guarantee the attainment of Hubei's 1990 family planning quotas.

The signing ceremony was presided over by Han Nanyang, vice governor of Hubei.

The "Letter" assigns a total of seven quotas regarding family planning rate, birth rate, and so on and provides specific measures of commending those that fulfill these quotas and penalize those that fail to fulfill these quotas.

Comrade (Guo Shuyan) delivered a speech at the signing ceremony.

In his speech, Comrade (Guo Shuyan) said that Hubei's population situation is very rigorous at present. Hubei is facing an arduous family planning task. The signing of the "Letter of Responsibility for Management of Family Planning Quotas" is aimed at putting an end to the phenomenon of slackened family planning work and unbridled population growth in Hubei's rural areas.

Hubei Work Forum Stresses Grain Production

HK2103035690 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 20 Mar 90

[Text] A provincial forum on rural work concluded on 19 March. It proposed central tasks and main points for rural work this year, which focus on carrying out grain and cotton production well and striving for an overall agricultural harvest.

Provincial Deputy Party Secretary Qian Yunlu and Vice Governor Zhang Huainian attended and addressed the forum.

To develop agriculture, first of all it is necessary to ensure the stability and consistency of the relevant policy, to protect the peasants' interests and initiative in production, to stabilize the management system on a household basis, and to take peasant households as basic agricultural production units, the forum pointed out.

Reducing the burden on the peasants is a major rural policy at present, the forum pointed out. All localities are required to follow a recent State Council circular and regulations of the provincial party committee, the provincial people's congress, and the provincial government in resolutely reducing irrational burdens and charges that violate policies. Profit delivery percentage must not exceed five percent of the per capita net income of the peasants. Without the examination by an agricultural commission and the approval of the relevant local government, no department or unit has the right to impose charges on the peasants or to collect payments from

them. Irrational charges imposed on the peasants in the past must be resolutely abolished.

This year's work of deepening rural reform should focus on the formation of a service system so as to bring into full play the role of rural cooperative economic organizations, to improve the services provided by the departments of commerce, supply and marketing, and banking, and to strengthen rural management work, the forum pointed out. By improving the service network, it will be possible for the peasants to fulfill the tasks that cannot be done individually, and to gradually shift the rural economy to a certain scope of operation on a voluntary basis of mutual benefit.

The forum stressed the necessity to give prominence to making scientific and technological progress in the course of developing agriculture. This year is a year of scientific and technological popularization. Breakthroughs must be made in scientific research, training personnel, experiments, and popularization. In particular, new quantitative and qualitative progress must be made in popularizing and applying scientific and technological achievements concerning large-scale grain, cotton, and edible oil production.

The forum emphasized, earnest efforts should be made to improve the relations between the party and the masses in the rural areas and between cadres and the masses in these areas. In some localities, the distortion of policies not long ago caused harm to the peasants. Party committees at all levels must take serious account of this problem, strengthen the flesh-and-blood relations between the party and the masses in the course of implementing the spirit of the Sixth Plenary Session of the 13th CPC Central Committee, and do a good job in all rural work.

Southwest Region

Guizhou Grain Work Conference Ends

HK2103080990 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 20 Mar 90

[Excerpt] The four-day provincial grain work conference concluded on 19 March.

After summing up what the province achieved in grain work in 1989, the meeting allotted this year's work assignment. It pointed out that 1990 is a year of crucial importance to the tasks of improving the economic environment, rectifying the economic order and deepening the reform. The grain supply departments at all levels should do a good job in grain work in compliance with the guiding ideology of supporting grain production, reinvigorating the channels for circulation of grain and edible oil and ensuring supplies of essential products, study more deeply the circulation of grain production and the grain market and consumption, set straight the grain market and the order of circulation, with the stress on grain wholesalers, and put an end to chaos in

the grain market and circulation channel. At the same time, planned management of grain should be strengthened, allocation of grain ensured, and efforts must be made to perfect the policies of purchase and marketing grain and edible oil and the management contract responsibility system for enterprises of grain, edible oil and forage. Meanwhile, grain supply departments at all levels should make vigorous efforts to pay attention to work of purchase and marketing of grain and edible oil and stabilize the policy of purchasing grain at original price and the quantity of purchased grain in order to fulfill the task of purchasing grain at fixed quotas. [passage omitted]

Sichuan's Yang Attends Organizational Conference

HK2003080790 Chengdu Sichuan Provincial Service
in Mandarin 2300 GMT 17 March 90

[Text] The Sichuan Provincial Conference of directors of Organization Departments of city, prefectural, and autonomous prefectural CPC Committees was held in Chengdu from 15 March to 17 March.

The conference relayed the spirit of the Sixth Plenary Session of the 13th CPC Central Committee and the spirit of the National Conference of Directors of Organization Departments, studied and made arrangements for making a continuous, comprehensive, and in-depth appraisal of cadres and practically strengthening the CPC leading bodies at all levels.

At the conference, Qin Yuqin, member of the Standing Committee of the Sichuan Provincial CPC Committee and concurrently director of the Organization Department of the Sichuan Provincial CPC Committee, put forward specific measures aimed at implementing the spirit of the two aforementioned meetings in light of the realistic conditions in Sichuan.

On 17 March, Yang Rudai, secretary of the Sichuan Provincial CPC Committee, and Gu Jinchu, deputy secretary of the Sichuan Provincial CPC Committee, attended the conference, listened to the reports at the conference, and delivered speeches at the conference.

Comrade Yang Rudai said that at present, the party rectification work must be carried out in light of the current situation of Sichuan and the tasks facing the CPC organizations at all levels in Sichuan. The strategic goal to be attained by Sichuan in the 1990's is to push ahead with the development of Sichuan's national economy. In order to attain this strategic goal, efforts must be made to further promote provincial economic development and strengthen the provincial party building.

Comrade Yang Rudai said that in order to promote the party building, it is first of all necessary to strengthen the building of the CPC leading bodies in light of the current as well as future needs of Sichuan's work, in order to train a new generation of leaders able to take up posts at the end of this century and the start of the next century.

It is also necessary to give pride of place to the practice of sending cadres to the grass-roots level. It is necessary to select and promote those who have received formal education as well as practical training and are determined to serve the people heart and soul and love the broad masses of the people.

Second, it is necessary to strengthen the work of the Communist Youth League [CYL] committees at all levels, strengthen the CPC leadership over the CYL committees at all levels, and train a generation of young CPC members.

Third, it is necessary to adhere to and perfect the CPC-led multi-party cooperation system, select and promote personages of various democratic parties as well as public figures without party affiliation to various leading posts in the government and give them real powers and positions. In the meantime, efforts must also be made to select and promote cadres of ethnic minorities and women cadres.

Comrade Yang Rudai stressed that strengthening the flesh and blood ties between the CPC and the broad masses of the people is of great importance and significance. Redoubled efforts must be made to ensure that the real power are in the hands of those who are loyal to Marxism and are determined to serve the people heart and soul.

The conference also discussed the "Opinions on Strengthening Ideological and Style Building of Leading Organs at and above the County Level" and "Opinions on Establishing the System of Exchanging Cadres of Party and Government Organs," which had been put forward by the Organization Department of the Sichuan Provincial CPC Committee.

(Wu Zhiyuan), executive deputy director of the Organization Department of the Sichuan Provincial CPC Committee, made a concluding speech at the conference.

Xu Mengxia, chairman of the Sichuan Provincial Advisory Committee, (Yang Chonghui), member of the Standing Committee of the Sichuan Provincial CPC Committee and concurrently secretary of the Sichuan Provincial Discipline Inspection Commission, (An Faxiao), a veteran provincial cadre, and responsible comrades of various provincial departments, commissions, and bureaus attended the conference.

North Region

Beijing Holds Standing Committee Meeting

SK2103123890 Beijing BEIJING RIBAO
in Chinese 9 Feb 90 p 1

[Text] The municipal People's Congress Standing Committee held its 18th meeting yesterday. In line with the suggestion of the municipal party committee, the meeting decided to delay the end-of-term elections of deputies of the district, county, township and town

people's congresses to the fourth quarter of this year. The meeting also made preparations for the convocation of the forthcoming third session of the ninth municipal people's congress.

The meeting participants discussed the suggestion raised by the municipal party committee on "delaying the end-of-term elections of deputies of the district, county, township, and town people's congresses." The suggestion states: "Recently, the Standing Committee of the municipal party committee further studied the district, county, township, and town end-of-term electoral work in line with the reality of Beijing Municipality, weighed all fields of work of the whole municipality, and held that this work is very important and that leaders must set aside sufficient time and concentrate energy on the work so as to do it better and more meticulously. But, we must consider that the 11th Asian Games will be held in Beijing in September and that we still have much urgent work to do in order to guarantee the successful convocation of this grand Asian Games. At the same time, we have to fulfill the capital's census work in line with the state unified plan during the first part of this year. These tasks will be fairly difficult because they require lots of manpower and involve a large sphere of work. In view of the aforementioned facts, and in order to guarantee successful end-of-term election work in various districts, counties, townships, and towns throughout the municipality, the municipal party committee suggested efforts be made to delay the end-of-term elections until after the Asian Games. This also conforms with the decision of the ninth session of the seventh Standing Committee of the National People's Congress [NPC] on holding the end-of-term elections of deputies of the county and township People's Congresses prior to the end of 1990. On 2 February, we invited responsible comrades of various democratic parties to discuss the aforementioned issues and they all had identical views. We suggest the municipal People's Congress Standing Committee examine and approve this and make a resolution." The meeting agreed with the suggestion of the municipal party committee and issued a decision.

The meeting adopted the draft agenda of the third session of the ninth municipal people's congress and the draft namelists of the presidium and secretary general of the congress session, the committee to examine the national economic and social development plan and the financial budgets and final account, and the committee to examine laws and regulations.

The meeting discussed the first draft of the "Work Report of the Standing Committee of the Beijing Municipal People's Congress" to be submitted to the third session of the ninth municipal people's congress.

The meeting was respectively presided over by Zhao Pengfei, chairman of the municipal People's congress Standing Committee, and Ma Yaoji and Lu Guang, vice chairmen of the municipal People's Congress Standing Committee. Vice Chairmen Xia Qinlin, Xing Jun, Tan

Yizhi, Tao Dayong, Pu Jiexiu, Chen Mingshao, and Rong Yi attended the meeting.

Li Ximing Attends Beijing Executive Meeting

SK2103123190 Beijing BEIJING RIBAO in Chinese
11 Feb 90 P 1

[Text] At the municipal government executive meeting, which ended on 9 February, the participants heard during the last few days briefings given by various committees and offices on their work summaries of last year and on their work arrangements for this year. Li Ximing, secretary of the municipal party committee, and Mayor Chen Xitong gave important speeches.

This meeting affirmed the achievements made by various committees and offices of the municipal government in actively overcoming various difficulties during the last year, which was very unusual, discovered where they were lagging behind, and clarified the tasks for various fields this year. This meeting was one for summing up experiences, understanding the overall situation, and learning from one another. This meeting marked a good start in further enhancing spirit and doing a good job in this year's work.

After discussing the current domestic and international situations, Li Ximing, secretary of the municipal party committee, pointed out: The CPC absolutely has the ability to overcome the difficulties on its road of advance. He said: In face of the strategy of the domestic and international hostile forces, which advocate "peaceful evolution," we should be sober-minded and maintain sharp vigilance, educate the broad masses of cadres to resist the corrosive influence of the decadent bourgeois ideology, oppose corruption, and perform our official duties honestly. We should adhere to the principle of independence and self-reliance, fully display the advantages at home, and take active and reliable steps to carry out economic work, including doing a good job in trade and using foreign capital. In economic work, we should stress the necessity of strengthening management. Strengthening management is one of the important tasks of the improvement and rectification campaign. At the same time, we should combine management with the deepening of reform and strengthen the training for workers in an effort to raise their quality.

In a speech, Chen Xitong pointed out: The tasks for 1990 are glorious but arduous. As long as we uphold the party's basic line, resolutely implement the party's principles and policies and work in unity, our party will become stronger, the capital will become more stable and the socialist cause will continue to advance triumphantly. He stressed: The people's governments should work industriously, cherish the people, perform their official work honestly and work for the people. Leaders at all levels and all cadres are public servants of the people. They should listen to the voice of the masses, understand their hardships, think about what the people think, orient their work to their urgent needs, be industrious in their government work, and be hard-working

government functionaries. He said: The voice and hardships of the masses are orders. When we have understood them, we must step up our efforts to solve them. By no means should we argue back and forth or shift the responsibilities onto other people. When major incidents occur, leading comrades must go to the scene. This practice must be formed into a discipline. The bad work style of practicing bureaucracy, showing no concern for the hardships of the masses, and engaging in unhealthy tendencies to make things difficult for the masses must be checked earnestly. Chen Xitong pointed out: To perform government work industriously and to cherish the people, we must urge the government functionaries to start up their minds because they will become lazy if they fail to use their minds often and to eat three square meals a day and do no work. We must have new ideas for doing our work every year. It will not do to be lazy ideologically. We must go deeply into the reality of life, boldly raise, ponder and solve questions, and carry out our work creatively.

While touching on how to carry out government work honestly and how to work for the people, Chen Xitong pointed out: Under the conditions in which the wages and bonuses of the party and government official cadres are lower than other people and they are living more plainly, the majority of comrades have still persisted in serving the people. We must practice economy, promote honesty, be concerned about affairs of the state before others, enjoy comfort after others, free from vulgar interests, and actively fulfill the tasks entrusted to us by the party and the people.

In a speech, Executive Vice Mayor Zhang Jianmin pointed out: The government organs should grasp seven tasks well this year: They should go deeply to the reality of life to conduct investigation and study, maintain close ties with the masses, and do substantial things in selected units; they should manage the municipality in line with the law, improve laws and regulations, set strict demands and strengthen management; they should grasp typical cases, publicize the good, criticize the bad, and promote the work in the entire municipality; they should strengthen the building of clean politics, work industriously, and check unhealthy trends among enterprises; they should attend to education on the current situation, and strengthen ideological and political work among organs; they should prevent major incidents by adopting resolute measures; they should fully respect the rights of deputies and consciously place themselves under the supervision of the people's congresses and deputies.

After stating that all preparations for the Asian Games had been smoothly carried out, Executive Vice Mayor Zhang Baifa put forward demands on how to do well the relevant work so as to successfully carry out the Asian Games. Leading comrades of the municipal party committee and government, including Li Qiyun, Li Zhijian, Yuan Liben, Chen Guangwen, Huang Chao, Wu Yi, Su Zhongxiang, Lu Yucheng, He Luli, Zhang Peng and Han Boping, attended the meeting.

Li Ximing on Multiparty Cooperation System

SK2103130290 Beijing BEIJING RIBAO
in Chinese 14 Feb 90 p 1

[Text] "Leading party cadres at various levels should attach full importance to the united front work; further narrow and strengthen the contacts and cooperation with nonparty personages under the new situation; widely make friends with nonparty personages; hear their criticism, opinions, and suggestions; and bring their roles into full play in the course of conducting reforms, opening to the outside world, and building socialism." This was stressed by Li Ximing, secretary of the municipal party committee at the municipal meeting of district, county, and bureau leading cadres on 13 February.

He said: The formulation and promulgation of the "CPC Central Committee's opinion on upholding and improving the system of multiparty cooperation and political consultation under the leadership of the CPC" is of extreme political significance under the current situations at home and abroad. The implementation of the document is of great significance to stabilizing the pattern of multiparty cooperation under the leadership of the CPC, consolidating and developing the united front, opposing bourgeois liberalization and the peaceful evolution of the international hostile forces, promoting the situation characterized by unity and stability, and realizing the general tasks of the party and the state.

Li Ximing said: Party committees at various levels should attend to the work in three spheres according to the regulations and requirements of the central authorities and in line with their different actual conditions.

First, party committees at various levels should conduct education and propaganda on the policy of multiparty cooperation under the leadership of the CPC and the importance of the united front work and strengthen and improve the party's leadership over multiparty cooperation. In line with the basic principle of "long-term coexistence, mutual supervision, treating each other with sincerity, sharing woe and weal with each other," we should accurately handle the party's relationship with other democratic parties in conducting cooperation and working together. Through conducting political consultation and the ideological and political work, we should conscientiously exercise the party's political leadership over various democratic parties. Leading party cadres should make intimate friends with nonparty personages and actively accept the supervision by the masses, including democratic parties and nonparty personages.

Second, party committees at various levels should carry forward socialist democracy so as to further bring into play the functions of democratic parties and nonparty personages. According to the demands of the documents of the central authorities, we should continue to improve the system that the party conducts political consultation with democratic parties so as to further bring into play the roles of democratic parties and nonparty personages in carrying out the work of the People's Congresses, the

governments, and the organizations of Chinese People's Political Consultative Conference. We should support democratic parties and federations of industry and commerce to serve the capital's socialist construction, reform, and the opening of the country to the outside world, and to conduct consultation in the economic, scientific, technological, legal, medical, and public health spheres.

Third, party committees at various levels should support and help democratic parties to strengthen self-construction, to carry out the work of replacing their old members by the new and conducting cooperation between new and old members, and to strengthen the construction of leading bodies. We should help democratic parties create and improve necessary working conditions.

Tan Shaowen on Learning From Lei Feng

SK2103130790 Tianjin TIANJIN RIBAO in Chinese
3 Mar 90 p 1

[Excerpts] A meeting to report the deeds of Zhang Wenqing and Zhao Jinglan, models advanced in learning from Lei Feng, was convened at the People's Assembly Hall on 2 March.

The meeting was held in a warm and lively atmosphere. At the 3-hour report meeting, more than 1,000 cadres and people from all fronts of the municipality and representatives of the People's Liberation Army and the Armed Police Force listened with concentration to a report group's introduction of the deeds of Doctors Zhang Wenqing and Zhao Jinglan. The participants were deeply moved by their deeds and frequently applauded to express lofty respects to them.

Municipal Leaders Tan Shaowen, Wu Zhen, Zhang Zaiwan, Lan Baojing, Huang Yanzhi, Shi Jian, and Xiao Yuan were present at the meeting. Tan Shaowen and Huang Yanzhi made speeches.

On behalf of all young Communist Youth League [CYL] members throughout the municipality, two young women presented flowers to Zhang Wenqing and his wife at the meeting. [passage omitted]

Tan Shaowen said in his speech: Twenty years seem like a day. Zhang Wenqing and his wife Zhao Jinglan have unswervingly learned from Lei Feng. Wherever they went, they did good deeds and brought the warmth of the party. They added another illustrious chapter to the annals of the Lei Feng spirit with their own deeds. They are a couple of living Lei Fengs in real life. Tianjin should have a sense of pride in having such good models advanced in learning from Lei Feng.

Tan Shaowen pointed out: Lei Feng was an outstanding representative of the people of a new generation, nurtured by the party, the people, and the Army in the socialist age. The Lei Feng spirit reflects in a concentrated way the perfect combination of the Chinese

nation's fine traditions and the spirit of socialism and communism. Although the campaign of learning from Lei Feng was once obstructed and damaged in the past 20 years or so, the Lei Feng spirit has deeply taken root among the masses and has always been a spiritual force to educate and encourage the people to make progress. Today, restoring the practice of learning from Lei Feng is of realistically great significance as well as of far-reaching historical significance. Studying and carrying forward the Lei Feng spirit is a need to upgrade the quality of the people; cultivate the people of a new generation with lofty ideals, education, morality, and a sense of discipline; and vigorously build socialist spiritual civilization; a need to persist in the party's goal of serving the people wholeheartedly and narrow the party and the government's blood-and-flesh relationship with the masses; and a need to arouse the national spirit, stand up against pressure, tide over the current difficulties, and achieve success in improving the economic environment, rectifying the economic order, and deepening reforms. We needed the Lei Feng spirit in the 1960's, still more in the 1990's.

He stressed: We should extensively and deeply launch the campaign of learning from Lei Feng so as to carry forward the spirit throughout the municipality. First, party committees at various levels should regard the launching of the campaign as an important measure for carrying forward their political advantages and strengthening ideological and political work. We should educate the broad masses of cadres and people to ardently love the party and socialism, to have a firm and clear-cut stand to oppose bourgeois liberalization, and to be sure to unswervingly uphold the leadership of the CPC and the socialist road no matter what storms and adverse currents take place in the world. Faced with the temporary economic difficulties at home we should carry forward the revolutionary tradition of self-reliance and arduous struggle, strengthen the sense of responsibility of being the master, have the overall situation in mind, share worries with the country, spare no efforts to do something for the government, positively join the campaign of increasing production, practicing economy, increasing revenues, and reducing expenditures, and dedicate ourselves to achieving success in improving the economic environment, rectifying the economic order, and deepening reforms and promoting a sustained, steady, and harmonious development of the national economy. Second, leading cadres at various levels and the broad masses of party members should play an exemplary role in learning from Lei Feng. In learning from Lei Feng, leading cadres should concentratively foster a concept of serving the people wholeheartedly and act as good public servants. Leading cadres at various levels should take Lei Feng as an example, be honest in performing their duties, go deep to the grass roots and reality to maintain close contacts with the masses, and use their exemplary deeds to affect and guide the people around them. In learning from Lei Feng, party members should take the lead in carrying forward Lei Feng's selfless and sacrificing spirit, be ready

to be servants of the people, and work diligently and solidly to make extraordinary achievements at their ordinary posts. Only when leading cadres at various levels and the broad masses of party members play an exemplary role can the youngsters and the whole society be inspired with enthusiasm to learn from Lei Feng. Third, we should conscientiously sum up and popularize the typical experiences and exemplary deeds in learning from Lei Feng. Over the past years, the municipal party committee and the municipal government have upheld the basic work thinking of "doing everything for the people and relying on the people to do everything," adopted various forms to organize the campaign of learning from Lei Feng and to vigorously advocate the Lei Feng spirit, and scored noticeable achievements. The day of 5 March was designated as a commemorative day of learning from Lei Feng. The municipal government shall promulgate its decision on doing 20 concrete deeds to improve the livelihood of urban and rural people that day. This has become a traditional work style of our municipality. We should conscientiously sum up the typical experiences in conducting the campaign of learning from Lei Feng and the deeds of exemplary figures, also extensively popularize the experiences, and deeply and constantly carry out the campaign. Fourth, we should create a fine media environment for constantly deepening the campaign. We must realistically strengthen propaganda to make the people understand the deeds and spirit of Lei Feng. This is a prerequisite for achieving a success in the campaign. In conducting propaganda, we should comprehensively and accurately grasp the content and essence of the Lei Feng spirit, adopt vivid forms to make the people love to accept the propaganda, and make sure to score good propaganda results. Fifth, we should realistically strengthen the leadership over the campaign. Party committees at various levels should place the launching of the campaign on their work agenda and work out feasible plans in line with their actual conditions. We should avoid formalism and the tendency of rushing headlong into mass action but pay attention to real results. Trade unions, CYL organizations, women's federations, and schools of various categories at various levels should accept the launching of the campaign as their routine work, make proper arrangements according to their special conditions, and conscientiously mobilize forces to firmly attend to the campaign. [passage omitted]

Northeast Region

Jilin Conference Arranges 1990 Auditing Work

SK1803225090 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 15 Mar 90

[Text] Today's provincial auditing work conference set forth that the ideology for guiding this year's auditing work is that the auditing departments at various levels should bring into full play their higher-level supervisory role in readjusting and controlling the macroeconomy, reducing the scale of capital construction, controlling the

increase in consumption funds, consolidating the order in the circulation sphere, deepening the enterprise reform, and promoting a good management and use of special funds in the course of improving the economic environment and rectifying the economic order.

Liu Xilin, vice governor of the province, attended and addressed the conference.

He said: In 1989, the auditing departments at various levels conscientiously implemented the principle of improving the economic environment and rectifying the economic order, carried out the auditing work closely in line with the central work of the party, established a fairly good auditor contingent, and made noticeable achievements in their work. Through auditing 8,098 units, 448.85 million yuan of illicit money was ferreted out; and 80.89 million yuan of illicit money was handed over to the state, an increase of 139 percent over the figure of last year.

Liu Xilin stressed: Under the circumstances of improving the economic environment and rectifying the economic order, strengthening the supervision over the auditing work is of great significance to eliminating corruption and promoting the progress of reform and economic construction. Thus, the auditing organs at various levels should bring into play their roles in readjusting and controlling the macroeconomy and concentratively audit the financial, taxation, and banking departments mainly in charge of macroeconomic control. This year, the auditing organs should still give priority to controlling the scale of capital construction, particularly the scale of unplanned capital construction; and continue to audit the projects that were forced to stop or suspend construction, to audit the sources of funds for new projects, and to audit and investigate the development of marketable houses. It is necessary to audit the credit and investment corporations under the financial departments and the companies of grain, foreign trade, supply, and medicine trades, which can have an impact on the work in the circulation sphere. Meanwhile, it is also necessary to audit the fulfillment of the contracts for management on a responsibility basis. The auditing organs should positively adopt countermeasures and measures and play their supervisory role in handling the problems related to contract systems. This year, these organs should also concentratively audit the special funds for supporting agriculture, educational funds, and foreign debts. Simultaneously, the governments at various levels should support the auditing work and create good conditions for carrying out the work.

Northwest Region

Gansu Cadres Meeting Stresses Party Building

HK2103063290 Lanzhou Gansu Provincial Service
in Mandarin 1030 GMT 20 Mar 90

[Text] This afternoon the provincial party committee held a meeting for cadres of organs under the provincial

authorities. Provincial Party Committee Secretary Li Ziqi made an important speech on implementing the spirit of the Sixth Plenary Session of the 13th CPC Central Committee and strengthening party building in organs under the provincial authorities. Provincial Deputy CPC Secretary Lu Kejian presided over the meeting. Yang Zuolin, secretary of the provincial Work Committee in charge of organs under the provincial authorities, relayed the spirit of document No. 9 of the provincial party committee.

On how to strengthen party building in organs under the provincial authorities, Comrade Li Ziqi dealt with the four following problems:

1. It is necessary to fully understand the importance and urgency of strengthening and improving party building in organs under the provincial authorities.
2. There is a need to take ideological education as a central link in strengthening party building in these organs. The provincial Work Committee and party organizations at all levels must pay attention to the ideological education of party members and put the improvement of party members' political quality in first place. At present they must focus their efforts on giving education in the basic theory of Marxism and the party's basic line, on forming a good style in these organs, and on strengthening supervision in and outside the party. The provincial party committee demands a big improvement in the work style of organs under the provincial authorities this year and that marked results be made in forming close ties with the masses.
3. Party committees and party groups in all departments should pay close attention to party building, strengthen their leadership, and create a good environment and the necessary conditions for the work of party cadres.
4. The work committee and party organizations should take serious account of their own style building.

Li Ziqi expressed the hope that all cadres in organs under the provincial authorities will uphold their firm political stand, foster a strong sense of work, strengthen Marxist theoretical study and professional study, improve their initiative and creativity in work, continuously study and probe new situations and problems in these organs, sum up experience in study, and proceed with party building in these organs in a down-to-earth manner, more lively, and more effectively.

Present at the meeting were: Wang Zhanchang, (Liu Yuhuan), and (Yang Benjie), members of the Standing Committee of the provincial party committee; Wu Jian, vice chairman of the provincial Advisory Commission; principal leaders from different departments; and cadres in charge of party work in party organs, totaling almost 500 people.

Gansu Reports Success Against Corruption

*HK2103021790 Lanzhou Gansu Provincial Service
in Mandarin 1030 GMT 19 Mar 90*

[Text] Last year, supervision organs at all levels in Gansu concentrated their efforts on building a clean government and cracking major and serious cases, thus

achieving gratifying results in enforcing the state laws and the party and government disciplines and in eliminating corruption.

This was disclosed at the Gansu Provincial Conference on Supervision Work, which was convened in Lanzhou this morning.

The conference also revealed that since last year, supervision organs at all levels in Gansu have directed their energies to cracking a batch of major and serious cases involving embezzlement, bribery, seeking private gains by abusing power, speculation and profiteering, and other malpractices. By the end of last year, supervision organs at all levels in Gansu had investigated and handled a total of 6,879 such cases, representing a 490-percent increase over the year before, and had recovered economic losses totaling 14.096 million yuan for the state. The Gansu Provincial Supervision Department had also directly investigated and handled a total of 22 cases involving 15 cadres at the provincial department or prefectural levels. By the end of last year, supervision organs in various cities, prefectures, autonomous prefectures, and counties in Gansu Province had investigated and handled a total of 843 various types of cases, penalized a total of 37 cadres at the county level, disciplined six cadres in accordance with party disciplines, and turned five cadres over to the judicial organs for punishment.

By the end of last year, supervision organs at all levels in Gansu had also handled a batch of influential cases. For instance, (Duan Kaisheng), former chief of the Gansu Provincial Industry and Commerce Bureau, was removed from office for taking bribes; (Chen Huanjin), former deputy director of the Gansu Provincial Structural Reform Department was removed from office for his alleged involvement in speculation and profiteering activities; (Liang Shouqi), former deputy director of the Policy Planning Department of the Gansu Provincial Planning Commission, was expelled from government service for embezzling public funds; and (Zhang Changshun), former deputy director of the General Office of the Gansu Provincial Auditing Bureau, was expelled from government service for embezzling and squandering public funds by abusing his power.

The Gansu Provincial Supervision Department also assisted a number of units in investigating and cracking a batch of cases, including the case of (Wang Jinqiang), former deputy secretary general of the Gansu Provincial People's Government, who had allegedly lived a corrupt life, the case of (Xu Mingchang), former mayor of Tianshui City, who had violated the foreign-related disciplines, the case of (Lu Xiangdong), former secretary general of the Jiayuguan City People's Government, who had squandered public funds, and a number of other cases.

The investigation and cracking of these law-violation and discipline-violation cases have undoubtedly dealt a telling blow against the spread of all types of corrupt phenomena, promoted the building of a clean government, demonstrated to the broad masses of the people the strong

determination and full confidence of the party and the government in furthering the struggle aimed at eliminating corruption, and enhanced the image of the party and the government among the broad masses of the people.

Lanzhou Military Region Urges Political Building

*HK2103025590 Lanzhou Gansu Provincial Service
in Mandarin 1030 GMT 19 Mar 90*

[Excerpt] The CPC Committee of the Lanzhou Military Region Headquarters has always given pride of place to the political building of the troops and has made great efforts to train a new generation of politically reliable military commanders.

The CPC Committee of the Lanzhou Military Region Headquarters believes that political building and theoretical study are of special importance to army building and has formed a leading group in charge of the political study activities and established a once-a-week political-study system.

During their political study, the officers mainly study the works of Marx, Lenin, Mao Zedong, and Deng Xiaoping in a systematic way and discuss them with one another. (Guo Fuzhou), secretary of the CPC Committee of the Lanzhou Military Region Headquarters, has personally taken the lead in participating in the political study and

giving speeches at the weekly study class. He has also undertaken to supervise the political study activities of officers. [passage omitted]

Lanzhou Military Chief Meets 'Living Lei Feng'

*HK2103030790 Lanzhou Gansu Provincial Service
in Mandarin 1030 GMT 19 Mar 90*

[Text] (Li Runfu), a well-known living Lei Feng, returned to Lanzhou from Beijing on 18 March after attending the National Symposium of Representatives of Advanced Units and Individuals in Learning from Lei Feng in Beijing.

Zhao Xianshun, commander of the Lanzhou Military Region; Li Xuanhua, political commissar of the Lanzhou Military Region; and other senior officers of the Lanzhou Military Region met with Comrade (Li Runfu), praised him for enhancing the image of the party and the Army, and urged him to remain modest and prudent and to continue to develop the fine quality of an ordinary soldier as well as his personal achievements.

Comrade (Li Runfu) is scheduled to attend a series of activities organized by the Lanzhou Military Region, the Gansu Provincial CPC Committee, and the Gansu Provincial People's Government during his stay in Lanzhou.

President Li Elected to New Six-Year Term*OW2103113190 Taipei CNA in English 1033 GMT
21 Mar 90*

[Text] Taipei, March 21 (CNA)—President Li Teng-hui was elected to a new six-year term Wednesday in a vote by the National Assembly, or the electoral college.

President Li, also chairman of the ruling Kuomintang and the only candidate in the election, received support from 641 of 668 voting members, or 95.96 percent, assembly officials announced.

Only 715 members of the 752-seat electoral college were qualified to vote in the nation's first presidential election since the martial law was lifted in 1987. Voter turnout was 88.83 percent.

The National Assembly, in which the ruling party holds an absolute majority, began to vote at 9:38 a.m. at the Chungshan Building on Yangmingshan in suburban Taipei. The balloting ended smoothly at 11:30 a.m.

Born 67 years ago to a farmer's family in Sanchi Village near Taipei, Li rose to the presidency in January 1988 immediately after the passing of President Chiang Ching-kuo.

The assembly will elect the nation's next vice president Thursday. President Li's running mate, Secretary-General Li Yuan-zu of the presidential office, is also the only vice presidential candidate with the endorsement of 594 assemblymen.

Li To Devote Himself to National Development*OW2103114290 Taipei CNA in English 1040 GMT
21 Mar 90*

[Text] Taipei, March 21 (CNA)—President Li Teng-hui said Wednesday that he will devote himself to the further development of the Republic of China's constitutional democracy, economic progress, social stability and upgrading of cultural lives so as to meet the people's expectations.

Li made his pledge after learning he was elected to a six-year term by the National Assembly, the nation's electoral college.

Li said that the government is preparing for the holding of a conference on national affairs, and will invite legislators, scholars, experts, industrial and business leaders, and journalists to attend the national forum in order to develop a consensus on such major issues as constitutional democracy and policies toward mainland China. President Li also said that he will announce the nation's basic policy for the next six years on his inauguration day on May 20.

Li appreciated support given to him by the people in the Republic of China over the past years and he sincerely hopes all the people would continue supporting him and work together to promote political reforms and to create

a free and democratic new China in which people enjoy equitable distribution of wealth.

Students Peaceful Sit-in Continues**Officials Visit For Li***OW2003193090 Taipei CNA in English 1514 GMT
20 Mar 90*

[Text] Taipei, March 20 (CNA)—On behalf of Premier Li Huan, Minister Without Portfolio Huang Kun-huei and Ma Ying-jeou, chairman of the Research, Development and Evaluation Commission, visited the students who were staging a peaceful sit-in on the square in front of Chiang Kai-shek Memorial Hall and told them that the government was open to their suggestions.

Ma told the student leaders that Premier Li had sent him to meet with students because the premier was at the Legislative Yuan replying to interpellations. Promoting political reform was not just the demand of the students, Ma said, but also of all people.

Ma also stressed that Premier Li hoped he could use the students' suggestions as reference for future political reforms.

Students Stress Visit From Li*OW2003184990 Taipei CNA in English 1558 GMT
20 Mar 90*

[Text] Taipei, March 20 (CNA)—Six representatives of the students protesting in the Chiang Kai-shek Memorial Hall Plaza failed Tuesday afternoon to hand a note to President Li Teng-hui in which they urged the president to put forward clear and definite reform programs.

Instead, Presidential Deputy Secretary General Chiu Chin-i met the students who, however, declined Chiu's offer to forward the letter to the president.

Chiu told the students, who asked to hand their message directly to the president, that President Li was at a meeting.

Chiu said President Li was well aware of the students' and people's wishes for democratic reforms.

"The president already had concrete ideas" about political reform, as could be seen from reports that a national affairs conference would be held very soon, Chiu said.

The six representatives said they hoped the president would visit the students staging a sit-in at the plaza just a few hundred meters away.

Chiu said President Li cares deeply about the students and was willing to visit them, but that a time has yet to be arranged.

Motion Adopted To Study Political System

*OW1703065890 Taipei Domestic Service in Mandarin
2300 GMT 13 Mar 90*

[Text] In order to study various opinions on issues related to the system of constitutional government, such as as the cabinet system versus the presidency, the

Legislative Yuan adopted a temporary motion on 13 March which was sponsored by (Tu Sheng-i) and 33 other legislators. Under the motion, the Judicial and Legal System Committees of the Legislative Yuan Will hold public hearings and invite scholars and experts to air their views on the system of constitutional government.

Hong Kong

Democratic Federation's Radio Ship Denied Entry

HK2103023590 Hong Kong HONGKONG STANDARD in English 21 Mar 90 p 4

[Text] The Goddess of Democracy radio ship will not be allowed to sail into Hong Kong waters unless under distress, a Government source said yesterday.

The boat, managed by the Paris-based Federation for Democracy in China, is on its way from France to broadcast prodemocracy programmes into mainland China.

Chinese authorities have expressed their concerns to the Hong Kong Government which is unwilling to precipitate another diplomatic incident by being seen to condone the group's activities.

"If they are in trouble at sea they can ask to come in, if they just want to have a bit of a rally in Victoria Park, they would only confirm Li Peng's worst fears that Hong Kong will become a centre for subversion," the source said.

The ship is unlikely even to be allowed to stock up with food and water in Hong Kong on any regular basis, and will certainly be denied a licence to broadcast from Hong Kong waters.

"We have had no official requests from this group to enter Hong Kong waters. If we do, then we will do our best to find a reason for keeping them out," the source said.

The Hong Kong branch of the XINHUA News Agency has refused to say whether it put pressure on the Hong Kong Government on the issue.

Chinese sources said Beijing's representatives had expressed "strong views" on the matter.

But a XINHUA official would only say that China had made clear its stand that Hong Kong would not be allowed to become a subversive base against the mainland.

The official said XINHUA always kept in touch with the Hong Kong Government on many issues concerning China's interests, "but it is not our practice to comment on individual cases."

Another XINHUA official said: "It is for the Hong Kong Government to make the decision (whether to let them in).

"Yet it is clear that the ship is not coming here to broadcast for Hong Kong people but for the mainlanders.

"It is obviously a matter concerning the interests of China. We have stated our stand very clearly that Hong

Kong should not be allowed to be used as an anti-China subversive base," said the official.

Chinese authorities called in the French ambassador to Beijing last month to demand that the radio ship project be cancelled, but Paris refused.

The Marine Department said earlier as far as it was concerned the ship was no different from any other ship and there was no reason to prevent it from docking.

But a spokesman said the ship would have to make formal application to enter Hong Kong and comply with all routine shipping requirements.

There are no provisions for blocking ships for purely political reasons.

But the Government has in the past prevented vessels from Warsaw pact countries from entering Hong Kong if they had no legitimate commercial purpose.

MING PAO Interviews Li Hou on Current Issues

HK2103041690 Hong Kong MING PAO in Chinese 21 Mar 90 p 2

["Special dispatch" From Beijing by staff reporter: "Li Hou Says the Threat of Hong Kong Serving as a 'Base of Subversion' Has Not Reduced Since 4 June Last Year"]

[Text] At an interview yesterday with this reporter, Li Hou, deputy director of the Hong Kong and Macao Affairs Office of the State Council, said: Even though those who want to turn Hong Kong into a base of subversion constitute "a tiny minority," this will also form a threat to China's state security. Moreover, as far as China is concerned, this threat has not reduced since the 4 June incident last year, though we cannot certainly say it is on the rise.

As a deputy of the National People's Congress [NPC], yesterday when asked of the question of Hong Kong serving as a base of subversion which was dealt with in the government work report, Li Hou said: It is because China really feels such a threat that it has repeatedly stated the issue.

When asked of whether this assertion has a psychological effect on the Hong Kong people, he stated: The assertion is done out of state security considerations. If we give undue consideration to the psychological conditions of the Hong Kong people to the complete neglect of state security, China will make a gross mistake.

Li Hou said: Of course, we cannot say that Hong Kong has the ability to overthrow the Chinese government. Although whether or not it can subvert the Chinese government is another thing, some activities have created trouble. This is a fact.

He pointed out: For example, recently some people in Hong Kong have stated they would support the S.S. Goddess of Democracy. This itself constitutes a threat. However, Li Hou said he would no longer name the

names of any persons. When asked of if the Hong Kong government handled the issue inappropriately, he said in reply: China will have to see the numerous actions to be taken in the future.

On the question that some NPC delegates from the Hong Kong area suggested that the government work report should make a positive appraisal affirming that most Hongkongers are patriotic and love Hong Kong, Li Hou also viewed it as a good suggestion, saying he would report it to departments concerned.

On the other hand, when talking about the question of Hong Kong people's right of abode in Britain, Li Hou said: China's policy of non-recognition of Hong Kong people's right of abode in Britain will not change. This is done mainly out of consideration of the situation after 1997. If there are 200,000 British nationals or more in Hong Kong after 1997 and moreover, they hold important positions, this will become a very big problem as far as Chinese sovereignty is concerned and therefore, we cannot recognize it.

When asked of if this Chinese assertion would make more Hong Kong people emigrate, Li Hou said: "Although our friends pointed out that if China does not oppose the right of abode in Britain, this will help stabilize popular feelings in Hong Kong, we have no other alternatives. We set our eyes on the situation after 1997, otherwise the future trouble will be greater."

According to Li Hou, this issue has been clearly stated in the memoranda exchanged between the two sides in the Sino-British Joint Declaration. However, Britain suddenly put forth this proposition of the right of abode in Britain and did not consult China beforehand. This will give big trouble to China after 1997.

When it came to the question of brain drain, Li Hou said: It is very difficult to persuade those who want to leave to stay in Hong Kong. "For instance, if a person says that he distrusts me, despite my assertion that I am friendly to you; have always regarded you as a friend; and I will not hurt you, he is still unconvinced and avoids living with me, then what can I do? Only when things after 1997 prove that Hong Kong is roughly the same as what it is today can they be convinced."

Li Hou pointed out: According to China's Nationality Law, a person who settles in a foreign country and

obtains its nationality will automatically forfeit his Chinese citizenship. If he returns to Hong Kong after 1997, he will be viewed as a foreigner.

In addition, when asked about the rumor that the British side had gotten the promise of the Chinese side that if direct elections in 1991 turned out to be a success, the number of candidates to be directly elected in 1995 would probably be more than 20 seats, Li Hou said no to the argument with certainty, because after the NPC adopted the Basic Law, which is a dignified legal document, it allows no changes before the establishment of the Hong Kong Special Administrative Region. If it is to be altered, that is a matter to be done after the establishment of the special administrative region.

As for the question of what election results in Hong Kong the Chinese side viewed as satisfactory, Li Hou said he would not comment on it. Nevertheless, he pointed out: "We have no intention of electing the 'pro-China' persons as you call them through elections. Of course, it is not our hope that some persons hostile to the Chinese government are elected. We cannot contemplate what will happen if most seats in the Legislature of the government of the Hong Kong Special Administrative Region are in the hands of persons hostile to the Chinese government."

Li Hou said: Although the Chinese hinterland and Hong Kong have different concepts of value and ideology as well as different views, we hope the two sides will respect each other, live in harmony, and seek common ground while reserving differences. "This is like the case of a family. If members of the family curse one another, can the family still be called a family?"

Sighing with emotion, Li Hou, already 67 years old this year, said: "We are a generation who grew up while China experienced sufferings. From my childhood, I was determined to make the country strong. When I was 15 years old, I joined the revolution. At that time I had never thought I would see the victory in the war of resistance against Japan and subsequently could become an official. What was on my mind was that it would be pretty good if I could live to the age of 30." At that time, he all the more never thought he would undertake a historical mission in the process of Hong Kong returning to China.

Li Hou said: If I am still around in 1997, I hope very much to go to Hong Kong to see the establishment of the special administrative region. Of course, by then he would be an ordinary citizen.

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